

Hinxton Hall Limited Annual Report and Financial Statements For Year Ended 30 September 2019



Hinxton Hall Limited
Charity registration number 1048066
Company number 3062160

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Trustees' Report

The Directors of Hinxton Hall Limited ("the Company" or "the Charity"), who are also the Trustees of Hinxton Hall Limited, being a charity for the purposes of the Charities Act 2011, present their Annual Report and audited Financial Statements for the year ended 30 September 2019.

Independent Auditor

In accordance with Section 485 of the Companies Act 2006, a resolution dated 10 December 2018 was passed by the members reappointing Deloitte LLP as auditor of the Charity.

Reference and administrative information

Company Status

The Company is a charity registered in England and Wales with the Charity Commission under the Charities Act 1993, as amended by the Charities Act 2011 (Charity registration number 1048066) and is a company limited by guarantee and registered in England and Wales (Company number 3062160).

Directors/Trustees

M Dougherty (Chair)
M Payne

Principal Address

Wellcome Genome Campus
Hinxton
Cambridgeshire
CB10 1RQ

Company Secretary

H Parkinson

Registered Office

Gibbs Building
215 Euston Road
London
NW1 2BE

Independent Auditor

Deloitte LLP
Statutory Auditor
Hill House
1 Little New Street
London
EC4A 3TR

Bankers

National Westminster Bank plc
King's Parade Branch
Bene't Street
Cambridge
CB2 3PU

Solicitors

CMS Cameron McKenna
Cannon Place
78 Cannon Street
London
EC4N 6AF

Hinxton Hall Limited Annual Report and Financial Statements

For the year ended 30 September 2019

Structure, Governance and Management

Members

The Charity has two members, The Wellcome Trust Limited, as Trustee of the Wellcome Trust ('Wellcome'), and Genome Research Limited ('GRL'). The Charity and GRL are both wholly-owned subsidiaries of the Wellcome Trust for accounting purposes. The liability of each member is limited to £1.

Governance

The Charity is governed in accordance with its memorandum and articles of association.

Board of Trustees

The Board of Trustees (who are also Directors and the key management personnel of the Company) is responsible for ensuring that the charitable objects of the Company are being met. It approves the management structure and operational budgets of the Charity. During the financial year, the Board met on one occasion. The Trustees are also members of the GRL Executive Board which meets four times a year and has an overview of all activities on the Wellcome Genome Campus. The Trustees are appointed by the Members of the Charity, Wellcome and Genome Research Limited. The performance of the Trustees is monitored by the members who will advise and manage any necessary development and training.

None of the Trustees has any beneficial interests in the Charity. The Trustees do not receive any remuneration for acting as Trustees or Directors of the charity. All the Trustees are also paid employees of Genome Research Limited and none of their remuneration is recharged to the charity.

The Chair (page 2) has principal management responsibility for the business activities of the Charity and acts as Chief Operating Officer with responsibility for activities on a day-to-day basis. Responsibility is delegated to senior management for Facilities Management, Construction Services and the Wellcome Genome Campus Conference Centre.

Objects

The objects for which the Charity is established are to advance the education of the public, in particular, advancing scientific and medical education and research (and the publication of the useful results of research) with particular reference to the human genome by the provision of facilities for research, conferences, seminars and training at the Wellcome Genome Campus, which is situated at Hinxton, Cambridgeshire.

Aims

The Trustees confirm that they have had regard to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities. The Charity continues to fulfil its charitable objects by undertaking three key charitable activities:

- Providing facilities management services to organisations based at the Wellcome Genome Campus, the major ones being Genome Research Limited, the European Bioinformatics Institute and the Wellcome Genome Campus Conference Centre. These services include utilities provision, building maintenance, security, cleaning and catering.
- Providing meeting and conference facilities and residential accommodation at the Wellcome Conference Centre.
- Providing design and construction services for the Wellcome Genome Campus.

The provision of these services provides public benefit through supporting organisations on the Wellcome Genome Campus which undertake scientific and medical research and education.

The Charity earns income from facilities management charges, construction services and conference centre sales and is also funded by grants from Wellcome.

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Strategic Report

Achievements and Performance

During the year the Charity provided facilities management, construction and conferencing services as required to meet the needs of tenants on the Wellcome Genome Campus, consistent with its ongoing charitable objectives.

Facilities management services to the value of £17.8 million (2018: £18.0 million) were provided to maintain and enhance the infrastructure of the Wellcome Genome Campus and support the organisations on campus undertaking scientific research and education. The Charity also provided design and construction services to Wellcome Genome Campus to the value of £0.3 million (2018: £4.2 million). During the year the Charity completed construction of a new quadrant for the Genome Campus datacentre, including an uninterrupted power supply, for use by Genome Research Limited.

The value of activities relating to conference facilities amounted to £3.0 million (2018: £2.9 million). During the year the facility was used to run 543 events (2018: 475) including hosting 22,952 delegates (2018: 17,543).

Environment

The Environment and Green Travel Manager is responsible for the strategic direction and management of the environmental impacts of the Campus including the Campus Environmental Management System ISO 14001:2015, which is externally certified by BSI, and operational management of the impacts of travelling to work, and water and effluent. She has direct support from the Energy Manager and the Facilities Managers for Waste, Lab Services/Hazardous Waste and Grounds to reduce our two biggest impacts; Energy and Waste.

In 2019 the Campus was successful in Certifying to ISO 50001:2018, the latest Energy Management Standard. Our target is to reduce our energy consumption by 5% against floor area from 2018 to 2022. Over the coming year several environmental initiatives are planned, including a programme of energy efficient and energy saving projects, looking at alternative, low carbon and green on-site electrical generation and automonising and increasing the number of gas, electric and water sub metering across site to understand use better.

Health and Safety

The Wellcome Genome Campus (WGC) directors recognise that proactive, well-managed health and safety is directly linked to its growth and success. The following have been achieved or recorded during the reporting period:

- With increasing scientific initiatives, the number of new biological risk assessments continues to increase. Currently 77 different organisms are used on campus. The annual audit of active biological risk assessments was undertaken. 66 new or reviewed assessments have been undertaken during 2019.
- Our musculoskeletal disorder (MSD) prevention programme has been incorporated into a wider strategy called Wellbeing@Work. This combines proactive and reactive programmes to prevent and support our top two risks on campus, that of stress and mental wellbeing and musculoskeletal disorders.
- In 2019 the Campus Health, Safety, Wellbeing and Environment week of activities engaged with the Campus community on laboratory and fire safety, as well as sessions focusing on physical and mental health, mindfulness and the Campus environmental strategy regarding waste minimisation and energy management.

Reserves and Expenditure Policy

The Charity does not consider it necessary to hold a minimum level of reserves due to the structure of its funding from Wellcome, directly from grants and indirectly via funding awarded to GRL to cover its facilities costs. Although, due to the timing of construction and facilities work undertaken, reserves will fluctuate from year to year. Wellcome provides sufficient funding to enable the Charity and GRL to finance its general activities and meet any of its obligations as they fall due. This funding structure is reviewed every five years. The year ended 30 September 2019 was the third year of the current quinquennial funding period. In the event of a change in funding approach the reserves policy would be

Hinxton Hall Limited

For the year ended 30 September 2019

reviewed. The Trustees have taken due regard to the fundraising guidance published by the Charity Commission in managing the Charity's fundraising activities.

All Building and General Funds represent fixed assets, which are funded by grants received from Wellcome. The funds will be utilised in future periods as depreciation is charged to the funds over the life of the assets.

The Building Fund is a restricted fund and is held for the buildings on the land leased by the Charity from Genome Research Limited. These include Hinxton Hall, a Grade II listed building, the Conference Centre, the Residential Accommodation and the new Shared Services and car park facility. The fund is adjusted each year for building additions and depreciation. The General Fund is an unrestricted fund and represents the net operational assets of the Charity. It is adjusted each year for additions and depreciation.

Unrestricted funds generally remain consistent year to year as costs are only incurred where they can be recovered by grants from Wellcome or recharges to tenants on the Wellcome Genome Campus. Residual unrestricted funds represent grants received to purchase fixed assets (other than buildings), which is utilised in future periods as depreciation is charged to the funds over the life of the assets.

For planning purposes an annual budget is agreed with Wellcome and tenants on the Wellcome Genome Campus, including Genome Research Ltd and the European Bioinformatics Institute. The Trustees monitor the expenditure of the Charity and provide an oversight of the internal budgetary and financial control mechanisms. The Charity agrees funding of capital projects and recovery of costs from Wellcome and Genome Research Limited and other customers such that all expenditure is covered by income.

Fixed Assets

The tangible fixed assets of the Charity, as set out in note 8 to the Financial Statements, represent the costs, less accumulated depreciation, incurred at the Wellcome Genome Campus. The Trustees do not consider any asset values to be impaired.

Employment

The Charity has no employees (2018: no employees), with services provided being sub-contracted from third parties. The management and administration of the Charity is undertaken by staff employed by Genome Research Limited. The charge for these services in the current year was £1.0 million (2018: £1.1 million).

Financial Review

The Charity's income from construction services related primarily to the construction of the Genome Campus datacentre and reduced from £4.2 million in 2018 to £0.3 million in 2019 as more of the building work was completed in the previous year. Income from facilities management services decreased from £18.0 million in 2018 to £17.8 million in 2019 due to the more efficient management of utilities' consumption on the campus. Income from the conference centre increased from £2.9 million to £3.0 million due to higher utilisation of conference facilities.

The Charity reported net expenditure for the year of £1.1 million (2018: net expenditure £1.0 million). The net movement on funds has been recorded in the Restricted Building and Unrestricted General Funds as appropriate. The Charity held net assets at 30 September 2019 of £39.6 million (2018: £40.7 million) represented by restricted building funds of £36.5 million (2018: £37.6 million) and unrestricted funds of £3.0 million (2018: £3.1 million).

Future Plans

During the year ending 30 September 2020, facilities management services are expected to increase in support of the strategy for the Wellcome Genome Campus. Significant construction projects initiated at 30 September 2019 include works to replace and repair frost coils across the campus and renovations to the West Pavilion laboratories. These are expected to be completed in the year to 30 September 2020.

The trustees are satisfied that it is appropriate to adopt the Going Concern basis in preparing the financial statements. Wellcome, the Charity's principal funder (directly through grants and indirectly through funding awarded to GRL to cover its facilities and construction services) has previously committed to provide grant awards of £20.8 million for maintenance and improvement of Campus facilities for the five years to 30 September 2021. This is expected to meet the requirements for facilities in that period. Other services will be undertaken only where funding is committed at the outset.

Risks and uncertainties

Risks to which the Charity is exposed have been identified and reviewed by the trustees. The principal risk relates to health and safety in relation to construction services and operational facilities management. The health and safety management system established on the Wellcome Genome Campus is discussed in the Health and Safety section above.

The Charity contracts with suppliers (sub-contractors) to provide facilities management and other related work. The risks arising from the work undertaken by sub-contractors are mitigated by selection of reputable sub-contractors who adopt industry safety guidelines and by regular monitoring of site health and safety by the Trustees of the Charity.

Credit risk is minimised by careful management of amounts due from external third parties. Wellcome is committed to the financial support of the Charity in the provision of facilities management and as a conference centre.

The Trustees' Report, which includes the Strategic Report, was approved by the Board of Directors on 10 December 2019 and signed on its behalf by:



M Dougherty
(Chair)

Dated 10 December 2019

Statement of Trustees' Responsibilities

The trustees (who are also directors of Hinxton Hall Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Independent Auditor's Report

To the members of Hinxton Hall Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Hinxton Hall Limited (the 'charitable company'):

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of the charitable company which comprise:

- the statement of financial activities (incorporating income and expenditure account);
- the balance sheet; and
- the related notes 1 to 16.

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).

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge

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obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purpose of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the strategic report and the directors' report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report included within the trustees' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:


- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Hinxton Hall Limited
For the year ended 30 September 2019

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Terri Fielding ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, UK

Date: *10 December 2019*

Hinxton Hall Limited
Statement of Financial Activities (incorporating income and expenditure account)
For the year ended 30 September 2019

	Note	Restricted Building Fund £000s	Unrestricted General Fund £000s	2019 Total £000s	2018 Total £000s
INCOME					
Income from charitable activities					
Construction services		-	329	329	4,245
Facilities management services	4	-	17,848	17,848	17,998
Conference centre	4	-	2,985	2,985	2,896
		-	21,162	21,162	25,139
Income from investments					
Interest		-	4	4	2
Total income		-	21,166	21,166	25,141
EXPENDITURE					
Charitable activities					
Construction services		-	329	329	4,245
Facilities management services		470	17,964	18,434	18,466
Conference centre		538	2,986	3,524	3,434
Total expenditure	5	1,008	21,279	22,287	26,145
Net expenditure for the year		(1,008)	(113)	(1,121)	(1,004)
Fund balances brought forward at 1 October	12	37,554	3,129	40,683	41,687
Fund balances carried forward at 30 September		36,546	3,016	39,562	40,683

*An analysis of income and expenditure by fund for the year ended 30 September 2018 is shown in notes 4, 5 and 14.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

All activities are continuing.

The notes to the financial statements are on pages 13 to 19.

Hinxton Hall Limited
Balance Sheet
As at 30 September 2019

	Note	2019 £000s	2018 £000s
Tangible fixed assets	8	39,269	40,389
Current assets			
Stock		2	7
Debtors	9	3,090	2,721
Cash at bank and in hand		185	370
Total current assets		3,277	3,098
Creditors: amounts falling due within one year	10	2,984	2,804
Net current assets		293	294
Total assets less current liabilities, being net assets		39,562	40,683
Funds			
Restricted building fund	12	36,546	37,554
Unrestricted general fund	12	3,016	3,129
Total funds		39,562	40,683

The Financial Statements were approved and authorised for issue by the Board of Trustees on 10 December 2019 and signed on its behalf by:



M Dougherty
Chair

10 December 2019

The notes to the financial statements are on pages 13 to 19.

Notes to the Financial Statements

1. ACCOUNTING POLICIES

General information

Hinxton Hall Limited is a company limited by guarantee registered in England and Wales (Company number 3062160). Its registered office is Gibbs Building, 215 Euston Road, London, NW1 2BE. It is also a charity registered in England and Wales with the Charity Commission (Charity registration number 1048066).

a) Basis of Preparation

The financial statements have been prepared on a going concern basis and in compliance with applicable UK accounting standards (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"). In particular, they comply with the Charities Act 2011, and the Statement of Recommended Practice 'Accounting and Reporting by Charities' published in 2015 (the "SORP").

The Charity meets the definition of public benefit entity under FRS 102. The Financial Statements have been prepared under the historical cost convention and on a basis consistent with prior years.

The Charity meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it. Exemptions have been taken in relation to presentation of a cash flow statement. The Charity has also taken advantage of the exemption contained in FRS 102, paragraph 33.1A, which exempts it from disclosing details of related party transactions with Wellcome and its subsidiaries.

b) Income

Income is recognised in the Statement of Financial Activities in the period in which the Charity is entitled to receipt, any conditions are met, where the amount can be quantified and receipt is considered reasonably probable.

Grant income is recognised to the extent the charity is entitled to the funds, has fulfilled the conditions set out by the grant funder, where the amount can be quantified and receipt is considered reasonably probable. The Charity assesses each grant on an ongoing basis to evaluate progress against grant conditions.

Income from facilities management and construction services is recognised when the related expenditure on services is incurred. Income from conference centre sales is recognised when the associated conference event takes place. Grant income is recognised when the related expenditure on revenue or capital items is incurred.

c) Fund Accounting

The Building Fund represents grants received from Wellcome specifically for the construction of buildings on the Genome Campus. It is a restricted fund under the terms of the grants.

The General Fund is an unrestricted fund and represents any funds acquired for the general use of the Charity. Income and costs relating to the provision of site services and conference facilities are reflected in this fund.

d) Tangible Fixed Assets and Depreciation

Fixed assets are stated at historic cost less accumulated depreciation.

Depreciation is charged on assets in use on a straight-line basis as follows:

Major plant and equipment	15 years
Furniture and fittings	5 to 10 years
Standard plant and equipment	5 to 10 years
Motor vehicles	4 years
Office equipment and computers	3 years

All expenditure on the acquisition, creation or enhancement of fixed assets is capitalised on an accruals basis, subject to a de minimis threshold of £5,000. Depreciation is charged on assets in use from the commencement of the month in which they are brought into use. Leasehold Land and Buildings are amortised over the life of the lease which expires on 6 February 2055. Assets in the course of construction are recorded at the value of costs incurred and are not depreciated. Depreciation begins when the assets are ready for use at which point they are transferred to the relevant asset category.

Impairment reviews are undertaken when, in the opinion of the Trustees, events or circumstances have arisen which indicate that the carrying value of an asset is impaired. The Charity holds substantial fixed assets, including buildings, related infrastructure and ongoing construction on the Wellcome Genome Campus. At each reporting date the trustees assess whether these assets will continue to derive value for the organisation through use by Genome Research Ltd and other campus tenants in line with its charitable aims. If indicators of impairment are identified, impairment reviews are performed to test the continuing value of the assets. No indications of impairment were identified in the current or previous year.

e) Cash at bank and in hand

Cash at bank and in hand is held to meet short-term cash commitments as they fall due rather than for investment purposes and includes all cash equivalents held in the form of short-term highly liquid investments that are readily convertible to known amounts of cash, with a short maturity of three months or less from the date of acquisition.

f) Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provision of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. All financial assets and liabilities are initially measured at transaction price (including transaction costs).

For financial assets carried at amortised cost, the amount of any impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

Amounts payable to Wellcome group entities are considered to be current liabilities, repayable on demand. Therefore no discounting of the liabilities for the timing of cashflows has been applied. However, there is no formal agreement for repayment terms, so this conclusion has been reached based on the Charity's best understanding of the arrangements in discussion with the relevant group entities.

The Charity is exposed to credit risk from its customer base. Credit risk is minimised by careful management of amounts due from external third parties. The Charity records a provision against debtors where it is considered more likely than not that the cash will not be received from the customer.

g) Expenditure

The costs of charitable expenditure and related support costs are allocated according to the area of the Charity's activities to which the expenditure relates.

The cost of providing conference centre facilities for conferences falling outside the primary purpose of the Charity is charged to Genome Research Trading Limited based on sales activity. Governance costs, consisting of audit fees, are allocated to expenditure for the provision of facilities management, since they principally relate to these activities.

The Charity's activities include the construction of new facilities as well as refurbishment and maintenance of existing infrastructure. The Charity evaluates the nature of this spend to assess which relates to new and enhanced assets and therefore capitalised, and which is maintenance of existing assets and therefore expensed. The Charity consults with suppliers and service providers to assist in this assessment.

All expenditure is included in the Statement of Financial Activities in accordance with the accruals concept.

h) Taxation

Hinxton Hall Limited is a charity registered under the Charities Act 1993 (as amended by the Charities Act 2011) and is therefore exempt from taxation on their income and gains falling within Part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to their charitable purposes.

The Charity is able to recover the majority of Value Added Tax ("VAT") incurred on expenditure. Any amounts of VAT that cannot be recovered is included within the underlying cost to which it relates.

i) Going concern

Wellcome, the Charity's principal funder has committed to provide grant awards of £20.8 million for maintenance and improvement of Campus facilities for the five years to 30 September 2021. This is expected to meet the requirements for facilities in that period. Other services will be undertaken only where funding is committed at the outset. Therefore the Trustees are satisfied that it is appropriate to apply the going concern basis in preparing these financial statements.

2. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In application of the Charity's accounting policies which are described in note 1, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from estimates.

The estimates and judgements are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed above.

3. DIRECTORS' EMOLUMENTS AND EXPENSES

The Directors of the Company (who are also Trustees of the Charity and the key management personnel of the Company) received no remuneration or expenses payments from the Company for their services nor were any expenses paid on their behalf. The Directors' are also employees of fellow Group company Genome Research Ltd and are paid by that company. Staff costs disclosed in Note 7 do not include any remuneration in respect of the key management personnel. There were no Directors for whom retirement benefits are accruing under a money purchase or defined benefit scheme. The Company does not issue share options or offer any long-term incentive schemes. There are no other related party transactions.

Hinxton Hall Limited
For the year ended 30 September 2019

4. INCOME FROM CHARITABLE ACTIVITIES

	Restricted Building Fund	Unrestricted General Fund	2019 Total £000s	Restricted Building Fund	Unrestricted General Fund £000s	2018 Total £000s
Construction services	-	329	329	-	4,245	4,245
Facilities management services						
Services charges	-	17,367	17,367	-	17,351	17,351
Grants from Wellcome - allocated as capital	-	305	305	-	365	365
Grants from Wellcome - allocated as revenue	-	176	176	-	282	282
	-	17,848	17,848	-	17,998	17,998
Conference centre						
Conference centre sales	-	2,470	2,470	-	2,582	2,582
Grants from Wellcome	-	515	515	-	314	314
	-	2,985	2,985	-	2,896	2,896

5. NET EXPENDITURE

Net expenditure is stated after charging:

	Restricted Building Fund £000s	Unrestricted General Fund £000s	2019 Total £000s	Restricted Building Fund £000s	Unrestricted General Fund £000s	2018 Total £000s
Total expenditure includes						
Operating lease costs	-	150	150	-	150	150
Fees payable to the Charity's auditor for audit services	-	16	16	-	16	16
	-	166	166	-	166	166
Depreciation						
Facilities management services	470	372	842	468	354	822
Conference centre	538	64	602	538	52	590
	1,008	436	1,444	1,006	406	1,412

Included within facilities management services is governance costs, consisting entirely of audit fees payable to the charity's statutory auditor for the external audit of the charity of £16,000 (2018: £16,000).

6. OPERATING LEASE COMMITMENTS

The Charity is committed to the following minimum lease payments in respect of a non-cancellable operating lease due to expire in February 2055:

	2019 Property £000s	2018 Property £000s
Due in less than one year	150	150
Due between two on five years	600	600
Due after 5 years	4,566	4,716
	5,316	5,466

7. STAFF COSTS

The Charity has no employees (2018: no employees), as services provided are sub-contracted from third parties. The management and administration of the Charity is undertaken by staff employed by Genome Research Limited. Staff costs recharged to the Charity amounted to £1.0 million in the year (2018: £1.1 million). These support costs are allocated to the direct expenditure of each activity for which the staff perform services.

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8. TANGIBLE FIXED ASSETS

	Leasehold land and buildings £000s	Plant equipment and vehicles £000s	Office equipment and computers £000s	Furniture and fittings £000s	Assets in the course of construction £000s	Total £000s
Costs as at 1 October 2018	49,219	5,778	171	788	952	56,908
Additions	-	239	-	47	38	324
Disposals	-	(18)	(3)	-	-	(21)
Transfers	-	67	-	-	(67)	-
As at 30 September 2019	49,219	6,066	168	835	923	57,211
Depreciation as at 1 October 2018	(12,588)	(3,034)	(123)	(774)	-	(16,519)
Charge for the year	(1,008)	(372)	(47)	(17)	-	(1,444)
Eliminated on disposal	-	18	3	-	-	21
As at 30 September 2019	(13,596)	(3,388)	(167)	(791)	-	(17,942)
Net book value as at 30 September 2019	35,623	2,678	1	44	923	39,269
Net book value as at 30 September 2018	36,631	2,744	48	14	952	40,389

9. DEBTORS

	2019 £000s	2018 £000s
Trade debtors	155	811
Amounts owed by parent undertaking	234	159
Amounts owed by other group entities	2,194	1,333
Other debtors	1	2
VAT receivable	-	33
Prepayments and accrued income	506	383
	3,090	2,721

The amounts owed from parent and other group undertakings and other group entities are unsecured, incur no interest and are receivable on request.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £000s	2018 £000s
Trade creditors	1,031	992
Amounts owed to other group entities	-	57
VAT payable	128	-
Accruals and deferred income	1,825	1,755
	2,984	2,804

The amounts owed to group undertakings are unsecured, incur no interest and are repayable on request.

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Deferred income consists of conference centre fees billed in advance to customers and advance rental charges to campus tenants. The movements in the year were as follows:

	2019 £000s	2018 £000s
At 1 October	200	73
Amounts billed in advance to customers	505	496
Released to income	(561)	(369)
At 30 September	145	200

11. COMMITMENTS

As at 30 September 2019 £2.7 million of commitments (2018: no commitments) were contracted but not accrued relating to construction works in progress on the Wellcome Genome Campus. This consists of works on the West Pavilion redevelopment and campus frost coils. Costs are accrued only where services have been performed under the contract before the end of the reporting period.

12. FUND MOVEMENTS

	Restricted Building Fund £000s	Unrestricted General Fund £000s	Total £000s
Balance at 1 October 2017	38,560	3,127	41,687
Income	-	25,141	25,141
Expenditure	(1,006)	(25,139)	(26,145)
Balance at 30 September 2018	37,554	3,129	40,683
Income	-	21,166	21,166
Expenditure	(1,008)	(21,279)	(22,287)
Balance at 30 September 2019	36,546	3,016	39,562

13. ANALYSIS OF NET ASSETS BY FUND

	Restricted Building Fund 2019 £000s	Unrestricted General Fund 2019 £000s	Total 2019 £000s	Restricted Building Fund 2018 £000s	Unrestricted General Fund 2018 £000s	Total 2018 £000s
Tangible fixed assets	36,546	2,723	39,269	37,554	2,835	40,389
Stock	-	2	2	-	7	7
Debtors	-	3,090	3,090	-	2,721	2,721
Cash	-	185	185	-	370	370
Creditors	-	(2,984)	(2,984)	-	(2,804)	(2,804)
	36,546	3,016	39,562	37,554	3,129	40,683

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14. ANALYSIS OF INCOME AND EXPENDITURE BY FUND

	Restricted Building Fund £000s	Unrestricted General Fund £000s	Total 2019 £000s	Restricted Building Fund £000s	Unrestricted General Fund £000s	2018 Total £000s
INCOME						
Income from charitable activities						
Construction services	-	329	329	-	4,245	4,245
Facilities management services	-	17,848	17,848	-	17,998	17,998
Conference centre	-	2,985	2,985	-	2,896	2,896
	-	21,162	21,162	-	25,139	25,139
Income from Investments						
Interest	-	4	4	-	2	2
Total income	-	21,166	21,166	-	25,141	25,141
EXPENDITURE						
Charitable activities						
Construction services	-	329	329	-	4,245	4,245
Facilities management services	470	17,964	18,434	468	17,998	18,466
Conference centre	538	2,986	3,524	538	2,896	3,434
Total expenditure	1,008	21,279	22,287	1,006	25,139	26,145
Net (expenditure)/income for the year	(1,008)	(113)	(1,121)	(1,006)	2	(1,004)
Fund balances brought forward at 1 October	37,554	3,129	40,683	38,560	3,127	41,687
Fund balances carried forward at 30 September	36,546	3,016	39,562	37,554	3,129	40,683

15. RELATED PARTY TRANSACTIONS

The Charity has taken advantage of the exemption contained in in FRS 102, paragraph 33.1A, which exempts it from disclosing details of transactions with Wellcome and its subsidiaries, as the Company is a wholly-owned subsidiary of The Wellcome Trust Limited, as Trustee of the Wellcome Trust. As stated in the trustees' report the trustees are paid employees of GRL. The trustees received no remuneration or expenses in the current or prior year for their services as trustees, or had any other related party transactions.

16. CONTROLLING ENTITY AND EXEMPTIONS

The members of the Charity are The Wellcome Trust Limited (as Trustee of the Wellcome Trust) and Genome Research Limited. The Charity is considered to be a wholly-owned subsidiary of the Wellcome Trust for accounting purposes. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member.

Genome Research Limited is a charity registered in England and Wales, number 1021457, and a company registered in in the England and Wales, number 10058101. Its principal address is Wellcome Genome Campus, Hinxton, Cambridgeshire, CB10 1RQ.

The Trustees regard the Wellcome Trust as the ultimate parent undertaking and controlling party. The Wellcome Trust is a charity registered in England and Wales, number 210183. Its registered address is Gibbs Building, 215 Euston Road, London, NW1 2BE. Its key activities are dedicated to improving health.

Copies of Wellcome Annual Report and Financial Statements 2019 are available from Wellcome's website (www.wellcome.ac.uk/about-us) or, without charge, from the Company Secretary.