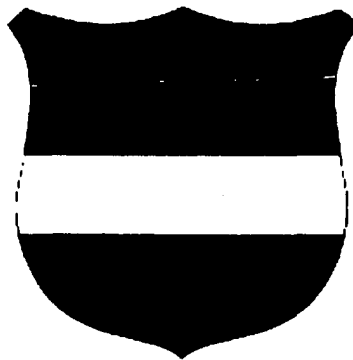


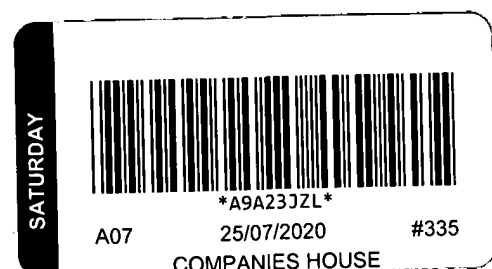
HUGH SEXEY'S HOSPITAL



REPORT OF THE VISITORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

Company Registration Number 6906918

Charity Registration Number 1130351



HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

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HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

REPORT OF THE VISITORS FOR THE YEAR ENDED 31 OCTOBER 2019

The trustees, who are known as the Visitors, are pleased to present their annual report together with the financial statements of the charity for the year ending 31 October 2019 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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 (FRS102) as amended by Update Bulletin 1 published on 2 February 2016.

REFERENCE AND ADMINISTRATIVE DETAILS

Visitors (all are Trustees, and Directors of the charitable company):

M Stanley-Smith	Chairman - until 18 April 2019	J A F Buxton	Chairman – from 18 April 2019
Mrs E F Winkley		The Hon. A T P Jolliffe	
E Hobhouse		P Hadow	
General Sir Alex Harley		Mrs L Sunnucks	
Dr S Davidson		Mrs A Lee	
E. Bond	Appointed 11 October 2019	M. Bowman	Appointed 11 October 2019
I Hepburn	Appointed 11 October 2019	Mrs E Showering	Appointed 10 January 2020
J de Bosdari	Resigned 15 March 2019	Mrs H Feilding	Retired 26 July 2019
R Hill	Resigned 17 June 2020		

The Master	Col. Simon Bate OBE
Registered Office	Hugh Sexey's Hospital, Bruton, Somerset, BA10 0AS
Finance Manager	Andrew Mullett FCA, 10 Highbury Place, Camden, Bath
Land Agents	Fowler Fortescue, The Old Dairy, Fonthill Bishop, Salisbury
Investment Advisers	Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London
Bankers	CAFBank Ltd, Kings Hill, West Malling, Kent
Auditors	MHA Monahans, Fortescue Ho, Court St, Trowbridge, Wilts
Solicitors	Loxleys, Langford Mill, Wotton-Under-Edge, Glos.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document - Hugh Sexey's Hospital is a charitable company limited by guarantee, incorporated on 15 May 2009 and registered as a charity on 25 June 2009. The guarantors are the members to the extent of £1 each.

Appointment of Trustees / Visitors - the Trustees of the charity, who are known as the Visitors, are also all directors of the charitable company. Up to fifteen Visitors may be appointed in accordance with the provisions of the charitable company's Articles. All Visitors give their time voluntarily and receive no benefits from the charitable company.

HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

REPORT OF THE VISITORS FOR THE YEAR ENDED 31 OCTOBER 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Visitor induction and training - as part of the induction process, new Visitors are briefed on the background and history of the Hospital. This briefing takes the form of meetings with the Chairman, other Visitors, the Master and the Finance Manager, and the provision of a file of relevant documents. Thereafter, Visitors are circularised with the publications of the Almshouse Association and encouraged to attend their Seminars.

Organisation - the Visitors, who are all unremunerated, meet four times a year; there are sub-committees covering House, Buildings, Finance, Investment Properties and Giving. The Visitors receive regular reports from the Master, Finance Manager, Land Agents, and Investment Advisers, and make all policy decisions.

Staffing - a Master, Matron, Assistant Matron, cleaner and gardener are employed in the Hospital; their remuneration is reviewed annually by the Visitors, taking into account changes in their roles and responsibilities and comparison to remuneration levels for similar roles in other organisations.

Risk management - the Visitors have conducted a detailed risk assessment to identify the major risks to which the Hospital is exposed, review the relative significance of the risks that were identified through an assessment of their risk and probability, and then satisfy themselves as to the adequacy of the systems established to manage and mitigate these risks. This assessment is regularly reviewed and updated by the Visitors, most recently in October 2019.

The most significant risks are assessed as being in relation to the:

- Safety, security and wellbeing of the Hospital residents;
- Rates of occupancy within the Hospital;
- Maintenance of the Hospital fabric;
- Management and control of the investment portfolio;
- Need to fund future investments in the Blackford Estate
- Ability of the Hospital to manage capital projects, in particular the Blackford Room.

OBJECTIVES AND ACTIVITIES

The main objects of the charitable company are:

- The provision of housing accommodation in the almshouses known as Hugh Sexey's Hospital, Bruton, for elderly people (the 'residents') who are in need, hardship, or distress
- Such charitable purposes for the benefit of the residents as the Visitors decide
- Such other charitable purposes as the Visitors decide

The Visitors fulfil these objectives by administering the Almshouses, which provide subsidised accommodation for around thirty residents in twenty-five flats within the Hospital buildings, fostering the schools established by the founder of the Hospital, and making donations for charitable purposes, mainly for the benefit and well-being of the young and the elderly or to other charities with similar objectives.

The Hospital has a permanent endowment comprising the Blackford Estate (an agricultural estate on the Somerset Levels), residential properties at Blackford and Bruton, and an investment portfolio. The income from the endowment is used to subsidise the running costs of the Hospital, provide for its continuing upkeep, and fund the other charitable activities.

HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

REPORT OF THE VISITORS FOR THE YEAR ENDED 31 OCTOBER 2019

OBJECTIVES AND ACTIVITIES (continued)

Public Benefit

The Visitors have reviewed the Charity Commission's guidance on the requirement to report on public benefit. They are satisfied that the work of the Hospital, as described below, accords with its stated objects and provides tangible public benefit to an appropriate section of those who reside within the charitable company's area of benefit; they believe that the criteria used to assess those who may benefit are not unreasonably restrictive.

The Visitors have also taken notice of the Charity Commission guidance on the charging of fees. They are currently updating an existing exercise to assess the levels of residents' contributions, which previously showed that on average residents pay only two thirds of a comparable open market rentals. Residents who face financial difficulties are encouraged to apply for Housing and Council Tax Benefits – if any still faced hardship, the Visitors would consider waiving some or all contributions due.

ACHIEVEMENTS AND PERFORMANCE

During the year occupancy within the Almshouses continued to remain high, at a rate of 98.8% – the only time flats were unoccupied was whilst they were being refurbished before occupation by new residents. One new resident moved in to fill a vacancy that arose, and at the end of the year all twenty-five flats were occupied and a waiting list was maintained. A good community spirit amongst the residents of the Hospital has been maintained by the hard work of the Master, Matrons and Chaplain.

A quinquennial repairs review was carried out during 2018 by the Hospital surveyors which confirmed that the fabric of the Hospital (a Grade-One listed building) was generally well-maintained but indicating areas where work was required. The total works shown to be due, both external and within flats, were costed at £230k, and a programme drawn up to ensure these are carried out over the three years 2019-2021. The opportunity is taken when flats become vacant to refurbish and upgrade them to modern standards.

The Visitors have been working for some years on a scheme to construct a new Residents Common Room (The Blackford Room) within the Hospital, to provide a communal space for the Hospital residents that can also be used for activities and events. The residents were involved in the consultation process leading to agreement of the final designs, prepared by Stephen Marshall Architects, and their input continues to be taken into account as the scheme progresses. A final decision to proceed was taken at the Visitors Meeting on 18 April 2019 and construction commenced on site just prior to the year-end, with an expected completion date of October 2020. The Blackford Room is budgeted to cost around £1.15m, including irrecoverable VAT. Costs incurred in earlier years were written off against revenue, costs in this and subsequent years will be capitalised.

The Blackford Room will be partially financed from the sale of outlying parcels of land within the agricultural Estate, which were offered for sale at an auction in April 2019 and which raised a total of £842,540 (net of costs of sale). The Hospital has employed professional fundraisers to solicit donations, which in the year amounted to £53,808 (gross); since the year-end, the total raised has now increased to a gross total in excess of £225,000. Any remaining balance of costs will be funded from accumulated reserves.

A Giving Committee has been established to agree the Hospital's policy for external donations, in compliance with the third of the Hospital's objects, and distribute funds accordingly. However, in view of the high level of expenditure in the previous and current year, no further amounts have been allocated for giving.

HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

REPORT OF THE VISITORS FOR THE YEAR ENDED 31 OCTOBER 2019

FINANCIAL REVIEW

Financial results

Investment income amounts to £365,341, an increase of £18,415 from increased investment property income, and dividends. Residents' contributions were increased by 2.5% from September 2019; income from contributions increased by £4,340 to £168,920. After receipt of donations amounting to £58,880, including £53,808 received towards the Blackford Room, total income increased by £76,711 to £593,141.

The cost of raising funds, being the costs of managing and maintaining the investment properties, managing the investment portfolio, and costs of fundraising towards the Blackford Room, amounted to £70,643, an increase of £1,388; reduced costs of property maintenance and a reduction in investment manager's fees were offset by the fundraising costs.

Hospital operating costs have increased by just £5,896 (1.6%) to £369,867. Day-to-day running costs have decreased by £6,649 but Hospital repair costs, which by their nature fluctuate significantly from year to year, have increased by £17,860 to £133,036, as considerable expenditure was again incurred on refurbishing flats, repairs to heating systems, and carrying out various repair projects. Administration and governance costs have increased by £5,665 as a result of fees incurred in respect of advice on VAT matters.

External grants to local schools, hospitals and charities amounted to £932 (last year £932).

Exceptional costs of £348,501 were incurred in the year, comprising costs of £221,752 on the Blackford Room, continuing costs of £115,765 incurred in connection with potential development schemes for various investment properties, and professional fees for future Estate planning.

After inclusion of all expenditure, including the exceptional costs, there was an overall deficit for the year, before inclusion of gains or losses on investments, of £228,125 (2017-18 £31,885 deficit).

The sale of some Estate properties in the year produced a surplus of £75,540 above their valuation in the financial statements. The remaining properties were revalued by the Hospital's Agents, Fowler Fortescue, at the year-end which gave rise to a surplus of £816,410 which has been reflected in these accounts. Following the increases in stock market valuations during the year there was an increase of £237,328 in the value of the investment portfolio (2017-18 £71,813 decrease in value).

After including all gains and losses, overall funds have increased by £901,153 (2017-18 £103,698 decrease) and amounted to £17,691,070 at the year-end. The Endowment Fund increased in value by £825,424 while there was an overall unrestricted surplus of £75,729 arising in the year.

Information on Fundraising Agreements with Third Parties (as required by the Charities Act 2016)

Hugh Sexey's Hospital engaged Spectrum Capital and Revenue Fundraising Ltd to assist with fundraising towards the cost of the Blackford Room. In the year to 31 October 2019 they raised a total of £53,808, at a cost to the Hospital of £16,952 (inclusive of VAT). Since the year-end they have been replaced by Complete Fundraising Ltd, and fundraising activities continue, a total of £187,000 (gross) having been raised so far this year. The activities of the fundraisers were regularly reviewed by the Visitors and the Master during the year. Both companies adhere to the Institute of Fundraising guidelines for dealing with vulnerable people – no complaints were received in respect of the fundraising activities carried out on behalf of the Hospital.

HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

REPORT OF THE VISITORS FOR THE YEAR ENDED 31 OCTOBER 2019

FINANCIAL REVIEW (continued)

Heritage Assets - Hospital properties

In 2004 a desktop valuation of the Hospital was carried out, based on existing use values, which attributed a value of £1,100,000 to the Hospital; in previous years there have been no additions or sales to the Hospital properties. In view of the historic nature of the buildings and their central place within the overall activities of the Hospital, the Visitors do not believe that the cost of further revaluations can be justified.

In order to ensure that the Hospital properties are kept fully maintained, the Visitors have a policy of undertaking quinquennial reviews of the state of the buildings – this review was carried out during the year by the Hospital's architects and a costed programme of works drawn up to cover all matters identified.

Investments

Hugh Sexey's Hospital is a permanent endowment, with assets held in perpetuity. The investments comprise agricultural and residential properties, which comprise 72% of the value of the investments, and an investment portfolio. The Visitors regularly review the constituent parts of the Hospital's endowment, to monitor the balance between the values of the investment properties and the Stock Exchange investments but realise that with fluctuations in values, the ratio will change over time. Following property sales in the year, proceeds of £842,500 were invested with the Hospital's brokers; these have been drawn during the current year to fund the cost of the Blackford Room.

Investment policy

The Visitors have adopted a Total Return approach in respect of the quoted investment portfolio, which means that all investment returns, whether income or realised and unrealised gains and losses, are brought into the Permanent Endowment Fund. The Visitors then agree an annual transfer from the accumulated unapplied total return to the Income Fund, to subsidise the running costs of the Hospital. This approach has not been adopted for the investment properties, as the illiquid nature of the assets means it is impossible to withdraw any unrealised gains without disposing of properties.

Investment Properties

The Visitors employ agents, Fowler Fortescue, to manage their investment properties, known as the Blackford & Bruton Estate, and a long-term management strategy is being implemented. During the year, various parcels of agricultural land and buildings were sold at auction, giving rise to net proceeds of £842,540, a surplus of £75,540 above the valuation attached to these properties. Fowler Fortescue have carried out a desktop revaluation of the Estate on an Open Market Value basis at 31 October 2019, valuing the Estate properties at £12,131,410, an increase in value of £816,410 which has been credited to the Permanent Endowment Fund.

Quoted Investment Portfolio

The Hospital's portfolio has been managed on a Total Return basis since August 2011; at that date, the Permanent Endowment investments were valued at £2,271,405 and a further £713,126 has been subsequently invested. After discussions with the investment managers the annual transfer to the Income Fund was set at a rate of 3% of the opening value of the portfolio, which the Visitors believe gives a fair balance between the interests of the current and the future beneficiaries. Total investment returns in the year amounted to £337,935 (2017-18 £19,425 gain) - £103,800 has been allocated to income in the year and the balance is carried forward as unapplied total return, which cumulatively amounts to £716,555 since the policy was adopted.

HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

REPORT OF THE VISITORS FOR THE YEAR ENDED 31 OCTOBER 2019

RESERVES POLICY

At the commencement of the year, total unrestricted funds were in surplus by £448,291. During the year, unrestricted funds have increased by £75,729 to amount to £524,020 at the year-end.

Under the terms of the Hospital's governing documents, the Visitors are obliged to maintain the Hospital, which is a Grade I listed building and inalienable, and they believe it prudent to maintain reserves in a designated Building Fund to allow them to cover anticipated repair costs for both the Hospital and the investment properties. The Visitors considered the amount that should be held, in light of the works revealed in the quinquennial survey of the Hospital carried out in 2018 and decided that a fund balance of approximately £240,000 is appropriate.

This year a further transfer of £130,000 has been made into the Building Fund; expenditure amounted to £143,928, giving rise to a deficit of £13,928 so the closing Fund balance amounts to £220,414. The works arising from the quinquennial review have been costed at £230,000, so the Visitors are of the opinion that this can be funded from the balances held within the Building Fund.

The Hospital has a Residents Bequest Fund, comprising amounts left to the Hospital in previous years which have been designated to provide benefits for residents; this has been invested and is managed by the investment managers. During the year expenditure on residents exceeded income by £748; after an increase of £4,876 in the value of investments, the fund increased by £4,128 to amount to £89,955 at the year-end.

The unrestricted Income Fund, being amounts that have not been designated by the Visitors, as described above, has increased by £85,529 during the year to stand at £213,651 at the year-end. This represents approximately six months of Hospital operating and administration costs, which the Visitors consider to be a prudent level of reserves.

PLANS FOR FUTURE YEARS

The Visitors recognise the need to be flexible, and to change with the times, particularly having regard to social and demographic trends. Their overall plans are to keep the Almshouse accommodation fully occupied by eligible pensioners, to maintain a good community spirit within the Hospital by, inter alia, continuing to employ suitable staff, to keep the fabric of the Hospital in good order, to ensure that the Almshouses are suitable for the changing needs of an older population, and to maintain the value of the Hospital's endowment, with a view to passing the Hospital on to future generations.

In addition to the continuing construction of the Blackford Room, which is scheduled for completion by October 2020, the Visitors have continued with plans to develop a part-derelict farmyard site at Blackford, to preserve some historic buildings and provide ten new homes; planning permission has been obtained but marketing of the scheme is currently on hold due to the Coronavirus pandemic. The intention is that the Visitors will retain three units as part of the Investment Property portfolio.

The Visitors have potential liabilities for the replacement of landlords' buildings and fittings in respect of a number of their tenanted farms. They are working with their agents to resolve the various issues that could arise, which includes the identification of possible development opportunities.

The Visitors are deeply aware of the issues arising from the advent of the Coronavirus both generally and specifically in regard to the business which the Hospital operates. As at the date on which these accounts were signed, the Visitors are delighted to report that the virus has not affected any residents and occupancy remained full.

HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

REPORT OF THE VISITORS

FOR THE YEAR ENDED 31 OCTOBER 2019

PLANS FOR FUTURE YEARS (continued)

Construction work on the Blackford Room ceased for a six week period, but work has restarted and the hope is that this will not lead to additional costs or a significant delay in completion. Although there have been fluctuations in the Hospital's investment portfolio, the significant losses that occurred at the time the virus became a global phenomenon in March 2020 have largely reversed themselves. The Visitors will continue to monitor the position carefully but are of the opinion that they have the funds to deal with any financial impacts from the pandemic.

VISITORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Visitors (who are also directors of Hugh Sexey's Hospital for the purposes of company law) are responsible for preparing the Report of the Visitors and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Visitors 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 the year. In preparing these financial statements, the Visitors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Visitors are responsible for keeping proper 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 Visitors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- they 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.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Section 415a of the Companies Act 2006.

Approved by the Visitors on 26 June 2020 and signed on their behalf by: -



Mr J Buxton – Chairman of Visitors

HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HUGH SEXEY'S HOSPITAL FOR THE YEAR ENDED 31 OCTOBER 2019

Opinion

We have audited the financial statements of Hugh Sexey's Hospital (the 'charitable company') for the year ended 31 October 2019 which comprise Statement of Financial Activities, Balance Sheet, Cashflow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 October 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the Visitors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Visitors 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.

Other Information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Report of the Visitors (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HUGH SEXEY'S HOSPITAL FOR THE YEAR ENDED 31 OCTOBER 2019 (continued)

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Visitors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of Visitors

As explained more fully in the Visitors' responsibilities statement set out on page 7, the Visitors (who are also the directors of the charitable company for the purposes 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 Visitors 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 Visitors 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 Visitors 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.

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.



James Gare (Senior Statutory Auditor)
for and on behalf of MHA Monahans
Statutory Auditor
Chartered Accountants
Fortescue House, Court Street
Trowbridge, Wiltshire
BA14 8FA

24 July 2020

HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 OCTOBER 2019

	Note	Endowment Funds £	Restricted Funds £	Unrestricted Funds £	Total 2019 £	Total 2018 £
Income from:						
Donations and legacies	1a	53,808	-	5,072	58,880	4,924
Charitable activities	1b	-	-	168,920	168,920	164,580
Investments	1c	105,483	-	259,858	365,341	346,926
Total Income		159,291	-	433,850	593,141	516,430
Expenditure on:						
Raising Funds	2	16,952	-	53,691	70,643	69,255
Charitable activities:						
Hospital operating costs	3a	-	13,775	356,092	369,867	363,971
Administration costs	3b	-	-	26,473	26,473	20,808
External grants	3c	-	-	932	932	932
Exceptional costs	3d	337,517	-	10,984	348,501	85,849
Governance costs	3e	-	-	4,850	4,850	7,500
		337,517	13,775	399,331	760,623	479,060
Total expenditure	4	354,469	13,775	453,022	821,266	548,315
Net expenditure before gains		(195,178)	(13,775)	(19,172)	(228,125)	(31,885)
Net gains / (losses) on investments:						
Investment properties	7a	891,950	-	-	891,950	-
Investment portfolio	7b	232,452	-	4,876	237,328	(71,813)
Net income / (expenditure) before transfers		929,224	(13,775)	(14,296)	901,153	(103,698)
Transfers between funds	12 & 13	(103,800)	13,775	90,025	-	-
Net movement in funds		825,424	-	75,729	901,153	(103,698)
Fund balances brought forward		16,341,626	-	448,291	16,789,917	16,893,615
Fund balances carried forward		17,167,050	-	524,020	17,691,070	16,789,917

The above results relate wholly to continuing activities; there were no recognised gains or losses other than those included above. The Statement of Financial Activities also complies with the requirement to prepare an income and expenditure account contained in the Companies Act 2006.

The accompanying accounting policies and notes form an integral part of these financial statements

HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

BALANCE SHEET AT 31 OCTOBER 2019

	Note	Endowment Funds £	Restricted Funds £	Unrestricted Funds £	Total 2019 £	Total 2018 £
Fixed assets						
Heritage assets: The Hospital	6	1,100,000	-	-	1,100,000	1,100,000
Investments:						
Freehold properties	7a	12,131,410	-	-	12,131,410	12,082,000
Investment portfolio	7b	4,070,191	-	415,388	4,485,579	3,468,634
		<u>17,301,601</u>	<u>-</u>	<u>415,388</u>	<u>17,716,989</u>	<u>16,650,634</u>
Current assets						
Investment portfolio	7b	-	-	81,958	81,958	77,082
Debtors	9	-	-	13,354	13,354	49,123
Cash at bank and in hand		-	-	68,463	68,463	83,571
		<u>-</u>	<u>-</u>	<u>163,775</u>	<u>163,775</u>	<u>209,776</u>
Creditors: amounts falling due within one year	10	(134,551)	-	(55,143)	(189,694)	(70,493)
Net current assets / (liabilities)		<u>(134,551)</u>	<u>-</u>	<u>108,632</u>	<u>(25,919)</u>	<u>139,283</u>
Total assets less current liabilities		<u>17,167,050</u>	<u>-</u>	<u>524,020</u>	<u>17,691,070</u>	<u>16,789,917</u>
Capital funds						
Permanent Endowment Fund	11	17,167,050	-	-	17,167,050	16,341,626
Income funds						
Restricted	12	-	-	-	-	-
Unrestricted	13	-	-	524,020	524,020	448,291
		<u>17,167,050</u>	<u>-</u>	<u>524,020</u>	<u>17,691,070</u>	<u>16,789,917</u>

The Visitors have prepared accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved by the Visitors at their meeting on 26 June 2020 and were signed on their behalf by:



Mr J Buxton – Chairman and Director



Mr P Hadow – Director

The accompanying accounting policies and notes form an integral part of these financial statements.

HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

CASHFLOW STATEMENT FOR THE YEAR ENDED 31 OCTOBER 2019

	Total 2019 £	Total 2018 £
Cash flows from operating activities		
Net outgoing resources, per Statement of Financial Activities	(228,125)	(31,885)
Adjustments for:		
Dividends and bank interest	(108,701)	(96,132)
(Increase) / decrease in debtors	35,769	8,457
Increase / (decrease) in creditors	119,201	3,311
Net cash used in operating activities	<u>(181,856)</u>	<u>(116,249)</u>
Cash flows from investing activities		
Investment income	108,701	96,132
Net proceeds from sale of investment properties	842,540	-
Net proceeds from sale of investments	5,859	(198,716)
Net cash generated from /(used in) investing activities	<u>957,100</u>	<u>(102,584)</u>
Change in cash and cash equivalents in the reporting period	<u>775,244</u>	<u>(218,833)</u>
Cash and cash equivalents at the beginning of the reporting period	<u>487,984</u>	<u>706,817</u>
Cash and cash equivalents at the end of the reporting period	<u><u>1,263,228</u></u>	<u><u>487,984</u></u>
Analysis of cash and cash equivalents		
Bank Balances	68,463	83,571
Cash held as part of investment portfolio	1,194,765	404,413
Total cash and cash equivalents	<u><u>1,263,228</u></u>	<u><u>487,984</u></u>

HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31 OCTOBER 2019

Legal status of the Charity

The Charity is a company limited by guarantee, incorporated in England and Wales, and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the reference and administrative details on page 2 of the financial statements and the nature of the charity's operations and principle activities are detailed in the Report of the Visitors.

Statement of compliance

The charity constitutes a public benefit entity as defined by FRS102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'. These financial statements have been prepared in compliance with FRS 102, the 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) (Charities SORP (FRS 102)) as updated through Update Bulletin 1 published on 2 February 2016, the Charities Act 2011 and UK Generally Accepted Accounting Practice.

Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investments measured at fair value through income or expenditure. The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The Hospital makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Valuation of investment property

An external independent valuer, having appropriate recognised professional qualifications and current experience of the location and type of property being valued, values the charity's investment property. Fair values are based on market values. Market values are the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing.

Taxation

No provision is made for Corporation Tax as the charity is able to claim full statutory exemption subject to the proper application of all its charitable resources.

Liabilities

Liabilities are recognised in full in the financial statements as soon as the obligation arises.

Financial instruments

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. These include cash, debtors other than prepayments, and creditors other than taxation and social security costs and deferred income.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31 OCTOBER 2019

Fund accounting

- **Permanent endowment:** The Hospital has a permanent endowment which it is legally prevented from spending and which must remain intact as part of the Hospital's capital. It has invested the endowment to provide income for its charitable activities.
- **Restricted funds:** these are held to be used for specified purposes as laid down by the governing documents or by the donors
- **Unrestricted funds:** these are other incoming resources received or generated for expenditure on the general objectives of the Hospital. The Visitors have designated certain of the unrestricted funds; they have decided that setting aside funds in this way is a useful financial discipline which will help the Hospital to make the best use of its resources, even though there is no legal force to the designations.

Income and expenditure

All income is recognised in full in the statement of financial activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received. Expenditure is charged on an accruals basis and is allocated between expenditure incurred on management of the investments, expenditure in fulfilment of the Hospital's objectives (direct charitable expenditure) and expenditure incurred in the governance of the Hospital. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Heritage Assets

The Hospital is a listed building of historical importance and as its preservation and conservation is one of the Hospital's objectives, it is regarded as a heritage asset and the Visitors take steps to ensure it is properly maintained. As a result of the age of the Hospital there is no record of any original costs.

No depreciation is charged on the Hospital buildings; the Visitors consider that this policy is appropriate given the historic nature of the buildings and the nature of the Hospital's activities which ensure that the buildings are maintained in an excellent state of repair.

Investments

Investment properties are included in the balance sheet at their estimated market value. Investment properties are formally revalued at least every five years by relevant professional valuers and are reviewed annually to ensure that the most recent formal valuation is still reasonable. No depreciation is provided in respect of investment properties as these are held for investment and the Visitors consider that this policy is necessary to give a true and fair view.

Listed investments held for investment purposes are stated at market value at the balance sheet date; gains and losses arising on revaluation are credited or debited to the appropriate fund through the SOFA.

Current asset investments are short term highly liquid investments held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

Dividends and interest from investments are credited to income on a receivable basis.

Retirement benefits

The Hospital operates a defined contribution pension scheme. The pension costs charged against operating income are the contributions payable to the scheme in respect of the accounting year.

Grants payable

Grants are recognised in the financial statements when a commitment has been made, and there are no conditions to be met relating to the grant which remain in the control of the charity. Grants with performance conditions are only recognised in the financial statements once the recipient of the grant has provided the specified service or output.

HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

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

	Endowment Funds £	Restricted Funds £	Unrestricted Funds £	Total 2019 £	Total 2018 £
1. INCOME					
1a) Donations and legacies					
Towards costs of running the Hospital	-		5,072	5,072	4,924
Towards Blackford Room development	53,808	-	-	53,808	-
	<u>53,808</u>	<u>-</u>	<u>5,072</u>	<u>58,880</u>	<u>4,924</u>
1b) Charitable activities					
Contributions from residents	-	-	168,920	168,920	164,580
1c) Investments					
Investment property income	-	-	256,640	256,640	250,794
Dividends and bank interest	105,483		3,218	108,701	96,132
	<u>105,483</u>	<u>-</u>	<u>259,858</u>	<u>365,341</u>	<u>346,926</u>
Total income	<u>159,291</u>	<u>-</u>	<u>433,850</u>	<u>593,141</u>	<u>516,430</u>
2. EXPENDITURE ON RAISING FUNDS					
Investment property costs:					
Costs of Estate management	-	-	42,799	42,799	44,592
Day-to-day repairs and maintenance	-	-	10,892	10,892	21,798
	<u>-</u>	<u>-</u>	<u>53,691</u>	<u>53,691</u>	<u>66,390</u>
Brokers management fees 7b	-	-	-	-	2,865
Costs of fundraising: Blackford Room	16,952	-	-	16,952	-
	<u>16,952</u>	<u>-</u>	<u>53,691</u>	<u>70,643</u>	<u>69,255</u>
3. EXPENDITURE ON CHARITABLE ACTIVITIES					
a) Hospital operating costs					
Employment costs Note 5	-	-	123,082	123,082	111,402
Other Hospital costs	-	-	110,685	110,685	129,014
Day-to-day running costs	-	-	233,767	233,767	240,416
Almshouse repairs and improvements	-	13,775	119,261	133,036	115,176
Former Residents' Bequest expenditure	-	-	3,064	3,064	8,379
	<u>-</u>	<u>13,775</u>	<u>356,092</u>	<u>369,867</u>	<u>363,971</u>
b) Administration costs					
Accountancy and charity administration	-	-	17,400	17,400	17,821
Professional Fees: VAT advice	-	-	6,255	6,255	-
Other administration expenses	-	-	2,818	2,818	2,987
	<u>-</u>	<u>-</u>	<u>26,473</u>	<u>26,473</u>	<u>20,808</u>
c) External grants					
Grants made to institutions	-	-	932	932	932
d) Exceptional costs					
Estate: costs re future development site	115,765	-	-	115,765	16,357
Estate: professional fees re future strategy	-	-	10,984	10,984	-
Hospital: Blackford Room development	221,752	-	-	221,752	69,492
	<u>337,517</u>	<u>-</u>	<u>10,984</u>	<u>348,501</u>	<u>85,849</u>

HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

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

	Endowment Funds £	Restricted Funds £	Unrestricted Funds £	Total 2019 £	Total 2018 £
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3. EXPENDITURE ON CHARITABLE ACTIVITIES

e) Governance Costs

Audit fees	-	-	4,850	4,850	7,500
	-	-	4,850	4,850	7,500
Audit and accountancy fees: (all inclusive of VAT)	Audit services			4,850	7,500
	Non-audit services - payroll preparation			912	1,050

4. TOTAL EXPENDITURE

		Staff costs £	Repair costs £	Other costs £	2019 £	2018 £
Investment property costs	Note 2	-	10,892	42,799	53,691	66,390
Investment management	Note 7b	-	-	-	-	2,865
Fundraisers				16,952	16,952	-
Hospital operating costs	Note 3a	123,082	133,036	113,749	369,867	363,971
Administration costs	Note 3b	-	-	26,473	26,473	20,808
External grants	Note 3c	-	-	932	932	932
Exceptional costs	Note 3d	-	-	348,501	348,501	85,849
Governance costs	Note 3e	-	-	4,850	4,850	7,500
Total resources expended		123,082	143,928	554,256	821,266	548,315

5. STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

Staff costs during the year were:	£	£
Wages and salaries	114,180	104,529
Employers National Insurance contributions (less Employment Allowance)	6,863	5,804
Pension contributions	2,039	1,069
	123,082	111,402

Average number of employees for the year - 5 (2017-18: 5). None earned in excess of £60,000 (2017-18 none).

The Trust considers its key management personnel comprise the trustees and the Master. The total employment benefits of the key management personnel, including employer's pension contributions, were £44,596 (2017-18: £39,347).

6. HERITAGE ASSETS

	£	£
At valuation	1,100,000	1,100,000

The Visitors, after receiving professional advice, determined that the Hospital is a heritage asset. As a result of the age of the Hospital there are no records of the original cost and no value is attributed thereto.

The Hospital buildings are included at a desktop valuation provided by qualified valuers at 31 October 2004, based on existing use values. There have been no material changes to the Hospital buildings since the date of the last valuation. As there are no plans to alter the use of the Hospital buildings, the Visitors do not believe that the costs of carrying out any further revaluations of the Hospital buildings can be justified.

Expenditure incurred during the year in connection with the Blackford Room, amounting to £221,752, has been fully written off.

HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 OCTOBER 2019

7. INVESTMENTS

a) Freehold investment properties

		2019 £	2018 £
At beginning of the year		12,082,000	12,082,000
Movement in year:			
	Sales proceeds	(842,540)	-
	Profit arising on sales	Note 11 75,540	-
	Surplus arising on revaluation	Note 11 816,410	-
At end of the year		<u>12,131,410</u>	<u>12,082,000</u>

During the year to 31 October 2019, a number of parcels of land were sold at auction. This produced sales proceeds (net of sale fees) of £842,540, giving rise to a surplus over book valuation of £75,540.

The Hospital's Agents, Fowler Fortescue, revalued the investment properties on an Open Market Value basis at 31 October 2019. This produced an unrealised gain on revaluation of £816,410 which has been included in the financial statements, the gain being credited to the Permanent Endowment Fund.

b) Investment portfolio

	Permanent Endowment Fund	Unrestricted: Former Residents Bequest	Total 2019	Total 2018
	£	£	£	£
Investment income received	105,483	2,316	107,799	94,751
Management fees charged	-	-	-	(2,865)
Funds invested / (withdrawn)	783,712	(2,316)	781,396	11,524
Unapplied total return allocated to income	(104,702)	-	(104,702)	(106,275)
Realised and unrealised gains/(losses):				
Permanent Endowment	Note 8 232,452	-	232,452	(70,129)
Former Residents Bequests	Note 13 -	4,876	4,876	(1,684)
Net increase in portfolio value	1,016,945	4,876	1,021,821	(74,678)
Opening valuation	3,468,634	77,082	3,545,716	3,620,394
Closing valuation	<u>4,485,579</u>	<u>81,958</u>	<u>4,567,537</u>	<u>3,545,716</u>
Historical cost of listed investments	4,291,289	78,811	4,370,100	3,597,194
The investments are held as follows:				
	Investment portfolio		3,372,772	3,141,303
	Cash balances held by brokers		1,194,765	404,413
			<u>4,567,537</u>	<u>3,545,716</u>

At the end of the reporting period the following holdings comprised more than 5% of the value of the portfolio.

Sarasin Endowments Fund Class A - Income	<u>£3,366,019</u>	<u>3,128,030</u>
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HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 OCTOBER 2019

8. MOVEMENT IN UNAPPLIED TOTAL RETURN

Unapplied total return is calculated from a start date of 11 August 2011. The Hospital's policy is to transfer into unrestricted (Income) funds each year an amount equal to 3% of the opening value of the Permanent Endowment investment portfolio, which is available for charitable uses. For 2018-19 this transfer amounted to £103,800. This is funded from the total investment returns (income and gains, less management charges) on the Hospital investments. The Visitors intend to keep the distribution rate under review and adjust as necessary to take account of prevailing rates of investment return.

The amount of Permanent Endowment invested under the Total Return basis comprises:

			2019 £	2018 £
Total fixed assets			17,716,989	16,650,634
Exclude:	Heritage assets: The Hospital	Note 6	(1,100,000)	(1,100,000)
	Investment properties	Note 7a	(12,131,410)	(12,082,000)
			<u>4,485,579</u>	<u>3,468,634</u>

		Permanent Endowment £	Unapplied total return £	Total 2019 £	Total 2018 £
At beginning of period		2,984,531	484,103	3,468,634	3,541,566
Portfolio amalgamated:	Previously held in Building Fund	-	-	-	-
Investment returns:	Realised and unrealised gains/(losses)		232,452	232,452	(70,129)
	Investment income receivable		105,483	105,483	92,357
	Investment management costs		-	-	(2,803)
			<u>337,935</u>	<u>337,935</u>	<u>19,425</u>
Unapplied total return allocated to income			(103,800)	(103,800)	(106,275)
Unapplied total return unallocated at year-end			<u>234,135</u>	<u>234,135</u>	<u>(86,850)</u>
Additional funds invested / (withdrawn)		784,493	(1,683)	782,810	13,918
Net movement in reporting period		<u>784,493</u>	<u>232,452</u>	<u>1,016,945</u>	<u>(72,932)</u>
At end of period		<u>3,769,024</u>	<u>716,555</u>	<u>4,485,579</u>	<u>3,468,634</u>

9. DEBTORS

	2019 £	2018 £
Investment income - rental income held by Agents	-	37,698
Investment income - amounts due from tenants	3,758	3,228
Prepayments and other debtors	9,596	8,197
	<u>13,354</u>	<u>49,123</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£	£
Trade creditors:		
Endowment Fund - re Blackford Room	134,551	-
Unrestricted Funds	36,820	50,985
Accruals and other creditors	7,951	8,967
Social security and other taxes	3,009	3,198
Deposits received from residents	7,363	7,343
	<u>189,694</u>	<u>70,493</u>

HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 OCTOBER 2019

11. PERMANENT ENDOWMENT FUND

		2019 £	2018 £
Income			
Donations towards Blackford Room development	Note 1a	53,808	-
Expenditure charged against Endowment Funds:			
Hospital: Blackford Room fundraising costs	Note 2	(16,952)	-
Hospital: Blackford Room development	Note 3d	(221,752)	-
Estate: costs re future development site	Note 3d	(115,765)	(9,732)
Net expenditure in the year		(300,861)	(9,732)
Realised gain arising on sale of Investment Properties	Note 7	75,540	-
Unrealised gain arising on revaluation of Investment Properties		816,410	-
Unapplied total return unallocated at year-end	Note 8	235,037	(86,850)
Net movement in funds during the year		826,326	(96,582)
Fund balances brought forward at start of year		16,341,626	16,438,208
Fund balance carried forward at end of year		17,167,952	16,341,626

12. RESTRICTED FUNDS

Extraordinary Repairs Fund

		2019 £	2018 £
Expenditure during the year	Note 3a	(13,775)	(13,775)
Annual transfer from income account	Note 13	13,775	13,775
Net movement in funds during the year		-	-
Fund balances brought forward at start of year		-	-
Fund balances carried forward at end of year		-	-

Under the terms of the governing Orders, the Visitors are required to transfer a minimum of £690 into an Extraordinary Repairs Fund, to fund major long-term modernisation and repairs. The Visitors have agreed to provide for these repairs using the Alms House Association suggested contribution rates of £475 per flat, which produces an annual charge of £13,775. Costs of remodelling flats during the year exceed this figure - an equal cost has therefore been charged against the Fund.

13. UNRESTRICTED FUNDS

		Income Fund	Buildings Fund	Former Residents Bequest	Giving Fund	Total 2019	Total 2018
		£	£	£	£	£	£
Surplus/(deficit) for the year		125,504	(143,928)	(748)	-	(19,172)	(97,870)
Allocated to Building Fund		(130,000)	130,000	-	-	-	-
Outgoing resources before transfers		(4,496)	(13,928)	(748)	-	(19,172)	(97,870)
Transfers							
Perm. Endowment	Note 7	103,800	-	-	-	103,800	106,275
Extraordinary Repairs	Note 12	(13,775)	-	-	-	(13,775)	(13,775)
Outgoing resources after transfers		85,529	(13,928)	(748)	-	70,853	(5,370)
Investment gain / (loss)	Note 7	-	-	4,876	-	4,876	(1,746)
Net movement in funds during year		85,529	(13,928)	4,128	-	75,729	(7,116)
Fund balances at start of year		128,122	234,342	85,827	-	448,291	455,407
Fund balances at end of year		213,651	220,414	89,955	-	524,020	448,291

HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 OCTOBER 2019

13. UNRESTRICTED FUNDS (continued)

Buildings Fund

Repairs, maintenance and modernisation costs arise erratically over the years; if charged directly to the Income Fund the amount of surplus in any year can vary greatly. The object of the Buildings Fund is to even out the charge against the Income Fund by debiting a regular annual amount against it and crediting the same to the Buildings Fund against which expenditure on repairs, maintenance and modernisation is then charged.

The Visitors consider that setting aside funds in this way is a useful financial discipline which will help the Hospital to make the best use of its resources, even though there is no legal force to the designations.

Giving Fund

Every year the Visitors decide on the amounts to allocate for external donations to local and regional beneficiaries. In view of the large cash requirement to fund the Blackford Room, no further amount has been allocated for grants.

Former Residents Bequests Fund

From time to time Residents have left bequests to the Hospital. These are kept in a separate fund, the income from which is made available for items of expenditure which will be to the benefit of all residents, as recommended by the House Committee and endorsed by the Visitors.

14. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

At 31 October 2019 the Hospital had a capital commitment in respect of the construction of the Blackford Room; it had contracted for a contract value of £829,711 plus £165,942 VAT, a total of £995,653, of which £110,300 plus VAT had been invoiced before the year-end.

There were no other capital commitments or contingent liabilities (2017-18 - None).

15. TAXATION

The charitable company is exempt from taxation on income and gains falling within categories covered by Part II, Chapter 3 of the Corporation Taxes Act 2010 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives.

16. PAYMENTS TO TRUSTEES AND CONNECTED PERSONS AND RELATED PARTY TRANSACTIONS

No remuneration or reimbursement of expenses was paid during the year to any of the Visitors.

The charitable company has purchased trustees' liability insurance costing £1,219 (2017-18: £1,239). The Charity Commission has confirmed that the Visitors have the power to take out such an insurance policy.

No related party transactions took place during the year or prior year.

17. LIABILITIES OF MEMBERS

Under paragraph 7 of the Memorandum of Association all members undertake to contribute to the assets of the charitable company such an amount as may be required, not exceeding £1, in the event of it being wound up during the year of membership and within one year afterwards.

HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 OCTOBER 2019

18a. PRIOR YEAR COMPARATIVES - STATEMENT OF FINANCIAL ACTIVITIES

	Note	Endowment Funds £	Restricted Funds £	Unrestricted Funds £	Total 2018 £
Income					
Income from investments:					
Investment property income	1	-	-	250,794	250,794
Dividends and bank interest		92,357	-	3,775	96,132
		92,357	-	254,569	346,926
Income from charitable activities					
Contributions from residents		-	-	164,580	164,580
Donations and sundry income		-	-	4,924	4,924
Total income		92,357	-	424,073	516,430
Expenditure					
Investment activities:					
Investment property costs	2	-	-	66,390	66,390
Brokers management fees	7b	2,803	-	62	2,865
		2,803	-	66,452	69,255
Charitable activities:					
Hospital operating costs	3a	-	13,775	350,196	363,971
Administration costs	3b	-	-	20,808	20,808
External grants	3c	-	-	932	932
Exceptional costs	3d	9,732	-	76,117	85,849
Governance costs	3e	-	-	7,500	7,500
		9,732	13,775	455,553	479,060
Total expenditure	4	12,535	13,775	522,005	548,315
Net income/expenditure before gains		79,822	(13,775)	(97,932)	(31,885)
Other recognised gains or losses:					
Investment properties	7a	-	-	-	-
Investment portfolio	7b	(70,129)	-	(1,684)	(71,813)
Net income/expenditure before transfers		9,693	(13,775)	(99,616)	(103,698)
Transfers between funds	12 & 13	(106,275)	13,775	92,500	-
Net income/expenditure after transfers		(96,582)	-	(7,116)	(103,698)
Fund balances brought forward		16,438,208	-	455,407	16,893,615
Fund balances carried forward		16,341,626	-	448,291	16,789,917

HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 OCTOBER 2019

18b. PRIOR YEAR COMPARATIVES - BALANCE SHEET AND FUNDS

		Endowment Funds £	Restricted Funds £	Unrestricted Funds £	Total £
Fixed assets					
Heritage assets	The Hospital	1,100,000			1,100,000
Investments:	Freehold properties	12,082,000			12,082,000
	Investment portfolio	3,468,634			3,468,634
		16,650,634	-	-	16,650,634
Current assets					
Investment portfolio				77,082	77,082
Debtors				49,123	49,123
Inter-fund balances		(310,375)		310,375	-
Cash at bank and in hand		1,367		82,204	83,571
		(309,008)	-	518,784	209,776
Creditors: amounts falling due within one year				(70,493)	(70,493)
Net current assets / (liabilities)		(309,008)	-	448,291	139,283
Total assets less current liabilities		16,341,626	-	448,291	16,789,917
Capital funds					
Permanent Endowment Fund		16,341,626			16,341,626
Income funds	Unrestricted			448,291	448,291
		16,341,626	-	448,291	16,789,917

UNRESTRICTED FUNDS COMPRISE:

	Income Fund £	Buildings Fund £	Former Residents Bequest £	Giving Fund £	Total £
Surplus/(deficit) for the year	39,268	(131,253)	(5,885)	-	(97,870)
Allocated to Building Fund	(130,000)	130,000	-	-	-
Outgoing resources before transfers	(90,732)	(1,253)	(5,885)	-	(97,870)
Transfers					
Permanent Endowment	106,275	-	-	-	106,275
Extraordinary Repairs	(13,775)	-	-	-	(13,775)
Outgoing resources after transfers	1,768	(1,253)	(5,885)	-	(5,370)
Investment losses	-	-	(1,746)	-	(1,746)
Net decrease in funds during year	1,768	(1,253)	(7,631)	-	(7,116)
Fund balances at start of year	126,354	235,595	93,458	-	455,407
Fund balances at end of year	128,122	234,342	85,827	-	448,291