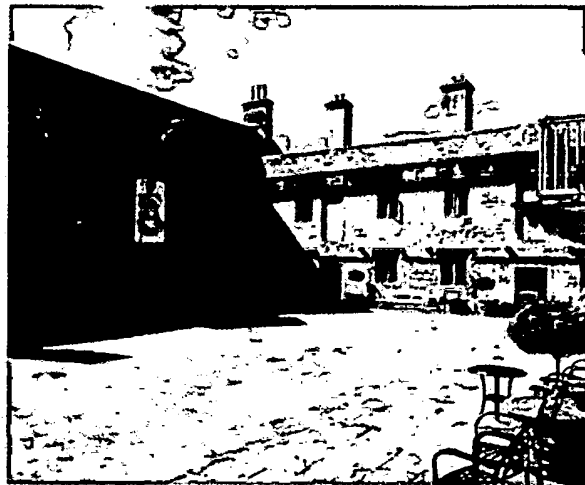


HUGH SEXEY'S HOSPITAL



REPORT OF THE VISITORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

Company Registration Number 6906918

Charity Registration Number 1130351

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COMPANIES HOUSE

HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

INDEX TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021

	Page
Report of the Visitors	2 - 9
Independent Auditor's Report	10 - 12
Statement of financial activities	13
Balance sheet	14
Cashflow Statement	15
Accounting policies	16 - 17
Notes to the financial statements	18 - 25

HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

REPORT OF THE VISITORS FOR THE YEAR ENDED 31 OCTOBER 2021

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 2021 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).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Office

Hugh Sexey's Hospital,
High Street, Bruton, Somerset, BA10 0AS

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

James Buxton (Chairman)

Edward Bond

Dr Susanna Davidson

General Sir Alex Harley

Edward Hobhouse

Emily Showering

Ann Lee

Julia de Salis (Appointed 30 July 2021)

Dan Bradshaw (Appointed 30 July 2021)

Lucinda Sunnucks

Michael Bowman

Paul Hadow (Retired 9 April 2021)

Ian Hepburn

The Hon. Andrew Jolliffe

Mark Stanley-Smith

Susanne Deverell (Appointed 30 July 2021)

Elizabeth Winkley (Retired 9 April 2021)

Officers and Advisors

The Master

Helen Rogerson (Appointed 11 October 2021)
Col. Simon Bate OBE (Retired 22 July 2021)

Finance and Administration

The Trust Partnership (Appointed 1 May 2021)
6 Trull Farm Buildings, Tetbury, Glos.

Land Agents

Fowler Fortescue
The Old Dairy, Fonthill Bishop, Salisbury.

Investment Advisers

Sarasin & Partners LLP
Juxon House, 100 St Paul Churchyard, London.

Bankers

CAFBank Ltd,
25 Kings Hill Avenue, West Malling, Kent.

Auditors

Monahans,
Fortescue Ho, Court St, Trowbridge, Wiltshire.

Solicitors

Loxleys,
Langford Mill, Wotton-Under-Edge, Glos.

HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

REPORT OF THE VISITORS FOR THE YEAR ENDED 31 OCTOBER 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Hugh Sexey's Hospital is a charitable company incorporated and registered with the Charity Commission (1130351) on 15 May 2009. The charity is administered in accordance with a Charity Commission Scheme dated 23 November 2009. The charitable company known as Hugh Sexey's Hospital (company registration 06906918) is limited by guarantee and was registered on 12 May 2009.

The Trustees of the charity, who are known as the Visitors, are also all directors of the charitable company. During the year, Visitors made a resolution to increase their number from fifteen to sixteen to allow for succession planning and a diverse skill set given the charity's diverse range of investments which include an estate gifted by the original benefactor, Hugh Sexey in 1638. Visitors are 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.

As part of the induction process, new Visitors are briefed on the background and history of the Hospital and their responsibilities under charity law by the Chairman and the Master. A file of relevant documents is provided and all Visitors are encouraged to attend The Almshouse Association Seminars.

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

There are five staff members: the Master (who acts as the operational manager), Warden, Assistant Warden, Housekeeper and Gardener who are all employed within 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. During the year there was a change in the Master which allowed for an external review of salary by a specialist charity recruitment advisor.

The Visitors have an on-going detailed risk assessment process 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 at every sub-committee meeting.

The most significant risks are assessed in relation to the activities outlined in the next section and include:

- Safety, security and wellbeing of the almshouse residents.
- Rates of occupancy.
- Maintenance of the historic fabric of the almshouses to provide dwellings fit for purpose.
- Management of the investment portfolio.
- Management of the endowment known as the Blackford Estate.

The charity is a member of The Almshouse Association.

HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

REPORT OF THE VISITORS FOR THE YEAR ENDED 31 OCTOBER 2021

OBJECTIVES AND ACTIVITIES

The Object of the charity is to provide almshouse accommodation for eligible beneficiaries within the area of benefit which includes Bruton and named parishes. Eligibility includes local older people in need. The use of the word Hospital refers to the historic term for an almshouse and has no relevance to the accommodation provided today.

Further Objects are charitable purposes for the benefit of residents and other such charitable purposes as the Visitors decide.

The Visitors fulfil these objectives by administering the Almshouses, which provide subsidised accommodation 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.

Activities central to the provision of the almshouses include measures to ensure resident welfare, through the provision of a warden, regular contact and fostering community spirit. Ensuring that vacant flats are re-allocated within as short a time as possible commensurate with refurbishing where necessary. Maintaining the almshouse buildings, which are listed or within the curtilage of a listed building, and ensuring they remain fit for purpose. Managing the investment portfolio and the endowment properties on the estate to ensure maximum income for the almshouses and the charitable purposes.

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 in providing almshouses, as described above, accords with its stated objects and provides tangible public benefit to those eligible within the area stipulated within the governing document. There are no voids within the almshouse and residents are allocated accommodation following an application process where the resident in greatest need is offered accommodation at the time a vacancy arises.

Weekly Maintenance Contributions are paid by residents. Occupation is by way of a beneficiary licence. Levels of contributions are set by the Visitors taking into account comparable charges such as the Valuation Office Equivalent Fair Rent and the specimen outline budget from The Almshouse Association.

HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

REPORT OF THE VISITORS FOR THE YEAR ENDED 31 OCTOBER 2021

ACHIEVEMENTS AND PERFORMANCE

This has continued to be a difficult year with continuing social distancing restrictions being put in place from mid-March 2020 as a result of the pandemic. The Hospital remained closed to the public throughout the year, and Government guidelines with regard to social distancing and socialising were enforced. This continues to place challenges on both staff and residents especially for those residents with distant family and friends and the continuation of day-to-day care services that are provided by social services. Fortunately, the completion of the community space known as the Blackford Room in October 2020 meant that residents could gather at appropriate distance and support each other.

During the year occupancy in the Almshouses remained at capacity and we had no voids. A list of interested potential residents was maintained and regular contact was maintained between them and the Master.

The garden continued to provide surplus fruit and vegetable produce which was donated to local charities in Bruton and Wincanton.

Quinquennial repairs and refurbishment have continued through the year, where possible concentrating on external works. Phase 1 of the new boiler project has been completed.

A Giving Committee agrees the Hospital's policy for external donations, in compliance with the third of the Hospital's objects, and distributes 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 2021

FINANCIAL REVIEW

Financial results

Investment income amounts to £374,948 (2020: £381,602), a decrease of £6,654 (1.7%), due to a reduction in dividend income. Residents' contributions were increased by 2.5% from September 2021 and amounted to £169,814 (2020: £166,537). After receipt of donations amounting to £18,148 (2020: £221,575), including £9,050 (2020: £216,720) received towards the Blackford Room, total income reduced by £206,803 to £562,911.

Expenditure on raising funds comprises costs of managing and maintaining the investment properties, managing the investment portfolio, and fundraising towards the Blackford Room, and amounted to £101,970 (2020: £133,474), a decrease of £31,504 which was largely attributable to decreased fundraising costs (charged as a percentage of amounts raised).

Hospital operating costs have increased by £148,977 to £449,984 (2020: £301,007). Day-to-day running costs have increased by £77,979 due to increased costs of staff and utilities, and Hospital repair costs have increased by £70,743 to £133,112 – these by their nature fluctuate significantly from year to year, as various repair projects are carried out, which was further impacted by Covid-19 which meant that scheduled works had been deferred into the year ended 31 October 2021. Administration and governance costs have increased by £30,982 due to increased accountancy and administration costs.

External grants to local schools amounted to £932 (2020: £932).

Exceptional costs of £156,411 were incurred in the year (2020: £1,162,125). The majority of these were the costs of completing the heating project, which amounted to £79,979. In addition, £31,295 was incurred in completing the Blackford Room, £36,265 was incurred in connection with ongoing development schemes for various investment properties, and £8,872 was incurred in respect of professional fees for future Estate planning matters.

After inclusion of all expenditure, which amounted to £767,260 (2020: £1,624,137) including exceptional costs, there was an overall deficit for the year, before inclusion of gains on investments, of £204,349 (2020: £854,423 deficit).

The Estate properties were revalued by the Hospital's Agents, Fowler Fortescue, at 31 October 2021, which gave rise to a gain of £2,897,138. There was a further increase of £479,204 in the value of the investment portfolio (2020: £79,308 increase in value).

After including all expenditure on the Blackford Room and investment gains, overall funds have increased by £3,171,993 (2020: £775,115 decrease) and amounted to £20,087,948 (2020: £16,915,955) at the year-end.

The Endowment Fund increased in value by £3,222,211 (2020: fell by £837,532) and amounted to £19,551,729 (2020: £16,329,518) at the year-end.

There was an unrestricted deficit of £50,218 arising in the year (2020: surplus of £62,417), therefore Unrestricted Funds decreased to £536,219 (2020: £586,437).

HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

REPORT OF THE VISITORS FOR THE YEAR ENDED 31 OCTOBER 2021

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

Hugh Sexey's Hospital engaged Complete Fundraising Ltd to assist with fundraising towards the cost of the Blackford Room. In the year to 31 October 2021, they raised a total of £9,050 (2020: £156,720), at a cost to the Hospital of £2,389 inclusive of VAT (2020: £45,272). The activities of the fundraisers were regularly reviewed by the Visitors and the Master during the year; they adhere to the Institute of Fundraising guidelines for dealing with vulnerable people, and no complaints were received in respect of the fundraising activities carried out on behalf of the Hospital.

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 view of the historic nature of the buildings and their central place within the 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 2018 by the Hospital's architects and a costed programme of works drawn up to cover all matters identified.

In October 2020 the Blackford Room was completed, at a total cost of £1.25m; the Visitors consider that this cost fails to meet the test for capitalisation of expenditure as there is no subsequent economic benefit arising from this expenditure, and no new charitable outputs, so it has been fully written off against Endowment Funds – there was a residual cost of £97,683 which was written off against the Income Fund in the year ended 31 October 2020.

Investments

Hugh Sexey's Hospital is a permanent endowment, with assets held in perpetuity. The investments comprise agricultural and residential properties, which comprise 79% (2020: 78%) 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.

Investment Properties

The Visitors employ agents, Fowler Fortescue, to manage their investment properties, known as the Blackford Estate, and a long-term management strategy is being implemented. It is not possible to adopt a Total Asset Return basis for the investment properties as their illiquid nature means it is impossible to withdraw any unrealised gains without disposing of properties. Fowler Fortescue carried out a desktop revaluation of the Estate on an Open Market Value basis at 31 October 2021, valuing the properties at £15,028,548, an increase in value of £2,897,138 which was credited to the Permanent Endowment Fund. A review of the agents was carried out in 2021 and after a competitive tender exercise, Fowler Fortescue have been reappointed.

Quoted Investment Portfolio

The Visitors adopted in 2011 a Total Return approach to investment management. All investment returns, whether income or realised and unrealised gains and losses, are brought into the Permanent Endowment Fund and 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. The Visitors believe this gives a fair balance between the interests of current and future beneficiaries. In 2011 the Permanent Endowment investments were valued at £2,271,405. A further £1,497,619 has subsequently been invested, and cash of £1,140,343 was withdrawn to fund the Blackford Room construction. Therefore, the balance stands at £2,628,681 (2020: £2,628,681).

HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

REPORT OF THE VISITORS FOR THE YEAR ENDED 31 OCTOBER 2021

After discussions with the investment managers the annual transfer to the Income Fund was set at 3% of the opening value of the portfolio (excluding cash balances), or £101,200. Total investment returns in the year amounted to £545,971 (2020: £153,932) - actual income received of £104,654 was slightly more than the target so this amount has been credited to the Income Fund, leaving £441,317 credited to Unapplied Total Return. Therefore, the cumulative balance since the policy was adopted now amounts to £1,203,289 (2020: £761,972). When added to the Capital balance, the closing portfolio has a value of £3,831,970 (2020: £3,390,653).

RESERVES POLICY

At the start of the year, total unrestricted funds were in surplus by £586,437. During the year, unrestricted funds have decreased by £50,218 to amount to £536,219 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, which were costed at £230,000, and decided that a fund balance of approximately £240,000 is appropriate.

This year a transfer of £130,000 (2020: £130,000) has been made into the Building Fund. Expenditure amounted to £162,149, giving rise to a deficit of £32,149, so the closing Fund balance amounts to £244,362 (2020: £276,511). Costs are higher in the year because works which had been scheduled for 2019-20 were deferred into 2020-21. The Visitors are of the opinion that the closing balance held within the Building Fund is sufficient to fund foreseeable repair costs.

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, due to the cancellation of residents' events, there was a surplus of £610; after including an increase of £10,626 in the value of investments, the fund increased by £11,236 to amount to £104,228 (2020: £92,992) at the year-end.

The unrestricted Income Fund, being amounts that have not been designated by the Visitors, as described above, has decreased by £29,305 during the year to stand at £187,629 (2020: £216,934) 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 overall plans are to keep the almshouse accommodation fully occupied by eligible residents and to maintain a good community spirit within the Hospital by continuing to employ experienced staff, keeping the fabric of the Hospital in good order, ensuring as far as possible 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.

The Visitors will continue to maximise the income from the endowment to the charity through estate management advised by Fowler Fortescue land agents. There are potential landlord liabilities identified in relation to the replacement of buildings and fittings and the agents are advising on options available to the Visitors. In this regard there are plans to re-develop certain areas of the estate, subject to the required permissions for charity land disposal, which will ensure sustained income from an efficient estate into the medium to long term.

HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

REPORT OF THE VISITORS FOR THE YEAR ENDED 31 OCTOBER 2021

With the recent completion of the capital project to provide a community room within the Hospital, Visitors are concentrating on a repairs programme identified in the quinquennial surveys.

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 5 July 2022 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 2021

Opinion

We have audited the financial statements of Hugh Sexey's Hospital (the 'charitable company') for the year ended 31 October 2021 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 2021, 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

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

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

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

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:

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 2021 (continued)

- 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.

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 8, 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.

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

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Understanding of management's internal controls designed to prevent and detect irregularities, and fraud;
- Reviewing the minutes of Board of Trustees meetings;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing of expenses;
- Performing analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud;
- Reviewing of the financial statements disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- Identifying and testing journal entries, in particular any journal entries with fraud characteristics such as journals with round numbers.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation.

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 2021 (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Monahans
Statutory Auditor
Chartered Accountants
Fortescue House, Court Street
Trowbridge, Wiltshire
BA14 8FA

11 July 2022

HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 OCTOBER 2021

	Note	Endowment Funds £	Restricted Funds £	Unrestricted Funds £	Total 2021 £	Total 2020 £
Income from:						
Donations	1a	9,050	-	9,098	18,148	221,575
Charitable activities	1b	-	-	169,814	169,814	166,537
Investment activities	1c	104,654	-	270,295	374,948	381,602
Total income		113,704	-	449,207	562,911	769,714
Expenditure on:						
Raising Funds	2	29,650	-	72,320	101,970	133,474
Charitable activities:						
Hospital operating costs	3a	-	13,775	436,209	449,984	301,007
Administration costs	3b	-	-	51,731	51,731	20,749
External grants	3c	-	-	932	932	932
Exceptional costs	3d	122,905	-	33,506	156,411	1,162,125
Governance costs	3e	-	-	6,232	6,232	5,850
		122,905	13,775	528,610	665,290	1,490,663
Total expenditure	4	152,555	13,775	600,930	767,260	1,624,137
Net expenditure before gains		(38,851)	(13,775)	(151,723)	(204,349)	(854,423)
Net gains on investments:						
Investment properties	7a	2,897,138	-	-	2,897,138	-
Investment portfolio	7b	468,578	-	10,626	479,204	79,308
Net income / (expenditure) before transfers		3,326,865	(13,775)	(141,097)	3,171,993	(775,115)
Transfers between funds	13 & 14	(104,654)	13,775	90,879	-	-
Net movement in funds		3,222,211	-	(50,218)	3,171,993	(775,115)
Fund balances brought forward		16,329,518	-	586,437	16,915,955	17,691,070
Fund balances carried forward		19,551,729	-	536,219	20,087,948	16,915,955

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 2021

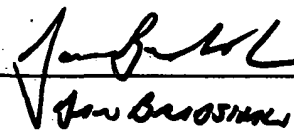
	Note	Endowment Funds £	Restricted Funds £	Unrestricted Funds £	Total 2021 £	Total 2020 £
Fixed assets						
Heritage assets: The Hospital	6	1,100,000	-	-	1,100,000	1,100,000
Investments:						
Freehold properties	7a	15,028,548	-	-	15,028,548	12,131,410
Investment portfolio	7b	3,831,970	-	94,262	3,926,232	3,474,289
		19,960,518	-	94,262	20,054,780	16,705,699
Current assets						
Debtors	9	-	-	64,522	64,522	22,587
Interfund balances	10	(453,447)	-	453,447	-	-
Cash at bank and in hand		70,000	-	17,112	87,112	398,811
		(383,447)	-	535,081	151,634	421,398
Creditors: amounts falling due within one year	11	(25,342)	-	(93,124)	(118,466)	(211,142)
Net current assets / (liabilities)		(408,789)	-	441,957	33,168	210,256
Total assets less current liabilities		19,551,729	-	536,219	20,087,948	16,915,955
Capital funds						
Permanent Endowment Fund	12	19,551,729	-	-	19,551,729	16,329,518
Income funds						
Restricted	13	-	-	-	-	-
Unrestricted	14	-	-	536,219	536,219	586,437
		19,551,729	-	536,219	20,087,948	16,915,955

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 5 July 2022 and were signed on their behalf by:



Mr J Buxton – Chairman and Director



John Crossman – 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 2021

	Total 2021 £	Total 2020 £
Cash flows from operating activities		
Net outgoing resources, per Statement of Financial Activities	(204,349)	(854,423)
Adjustments for:		
Dividends and bank interest	(108,067)	(117,707)
(Increase) / decrease in debtors	(41,935)	(9,233)
Increase / (decrease) in creditors	(92,677)	21,448
Net cash used in operating activities	(447,027)	(959,915)
Cash flows from investing activities		
Investment income	108,067	117,707
Net proceeds from sale of investment properties	-	-
Net proceeds from sale of investments	27,261	30,254
Purchases of investments	(5,090)	-
Net cash generated from investing activities	130,238	147,961
Change in cash and cash equivalents in the reporting period	(316,789)	(811,954)
Cash and cash equivalents at the beginning of the reporting period	451,274	1,263,228
Cash and cash equivalents at the end of the reporting period	134,485	451,274
Analysis of cash and cash equivalents		
Bank Balances	87,112	398,811
Cash held as part of investment portfolio	47,373	52,463
Total cash and cash equivalents	134,485	451,274

Note 7a

HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31 OCTOBER 2021

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), 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 2021

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 2021

	Endowment Funds £	Restricted Funds £	Unrestricted Funds £	Total 2021 £	Total 2020 £
1. INCOME					
1a) Donations					
Towards costs of running the Hospital	-	-	9,098	9,098	4,855
Towards Blackford Room development	9,050	-	-	9,050	216,720
	9,050	-	9,098	18,148	221,575
1b) Charitable activities					
Contributions from residents	-	-	169,814	169,814	166,537
1c) Investment activities					
Investment property income	-	-	266,881	266,881	263,895
Dividends and bank interest	104,654	-	3,414	108,067	117,707
	104,654	-	270,295	374,948	381,602
Total income	113,704	-	449,207	562,911	769,714
2. EXPENDITURE ON RAISING FUNDS					
Investment property costs:					
Costs of Estate management	-	-	43,284	43,284	44,455
Day-to-day repairs and maintenance	-	-	29,037	29,037	11,534
	-	-	72,320	72,320	55,989
Brokers management fees	27,261	-	-	27,261	32,213
Costs of fundraising for Blackford Room	2,389	-	-	2,389	45,272
	29,650	-	72,320	101,970	133,474
3. EXPENDITURE ON CHARITABLE ACTIVITIES					
a) Hospital operating costs					
Employment costs	-	-	149,087	149,087	128,658
Other Hospital costs	-	-	165,878	165,878	108,328
Day-to-day running costs	-	-	314,965	314,965	236,986
Almshouse repairs and improvements	-	13,775	119,337	133,112	62,369
Former Residents' Bequest expenditure	-	-	1,907	1,907	1,652
	-	13,775	436,209	449,984	301,007
b) Administration costs					
Accountancy and charity administration	-	-	37,961	37,961	18,150
Other administration expenses	-	-	13,770	13,770	2,599
	-	-	51,731	51,731	20,749
c) External grants					
Grants made to institutions	-	-	932	932	932
d) Exceptional costs					
Hospital: Blackford Room development	6,661	-	24,634	31,295	926,775
Hospital: Heating Project	79,979	-	-	79,979	173,223
Estate: costs re future development sites	36,265	-	-	36,265	52,082
Estate: professional fees re future strategy	-	-	8,872	8,872	10,045
	122,905	-	33,506	156,411	1,162,125

HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

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

	Endowment Funds £	Restricted Funds £	Unrestricted Funds £	Total 2021 £	Total 2020 £
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3. EXPENDITURE ON CHARITABLE ACTIVITIES

e) Governance Costs

Audit fees

-	-	6,232	6,232	5,850
-	-	6,232	6,232	5,850

Audit and accountancy fees: (all inclusive of VAT)

Audit services

Non-audit services - payroll preparation

6,232	5,850
486	849

4. TOTAL EXPENDITURE

	Staff costs £	Repair costs £	Exceptional £	Other costs £	2021 £	2020 £
Investment property costs Note 2	-	29,037	-	43,284	72,320	55,989
Investment man.charges Note 7b	-	-	-	27,261	27,261	32,213
Cost of Fundraisers Note 2	-	-	-	2,389	2,389	45,272
Hospital operating costs Note 3a	149,087	133,112	-	167,785	449,984	301,007
Administration costs Note 3b	-	-	-	51,731	51,731	20,749
External grants Note 3c	-	-	-	932	932	932
Exceptional costs Note 3d	-	-	156,411	-	156,411	1,162,125
Governance costs Note 3e	-	-	-	6,232	6,232	5,850
Total resources expended	149,087	162,149	156,411	299,614	767,260	1,624,137

5. STAFF COSTS AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

	2021 £	2020 £
Staff costs during the year were:		
Wages and salaries	139,617	119,444
Employers National Insurance contributions (less Employment Allowance)	6,951	6,784
Pension contributions	2,519	2,430
	149,087	128,658

Wages and salaries include redundancy costs amounting to £26,718.

Average number of employees for the year - 5 (2019-20: 5). None earned in excess of £60,000 (2019-20 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 £39,585 (2019-20: £46,061).

6. HERITAGE ASSETS

	2021 £	2020 £
At valuation	1,100,000	1,100,000

The Visitors, after receiving professional advice, have 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; the Hospital buildings are included at a desktop valuation provided by qualified valuers at 31 October 2004, based on existing use values.

Expenditure incurred during the three years to 31 October 2021 on the construction of the Blackford Room amounted to £1,179,822, comprising £1,011,700 paid to the contractor, £128,056 of professional fees, and £40,066 of other costs. The Visitors consider that there has been no overall increase in the value of the Heritage Asset as a result of this expenditure, and therefore the whole of the construction cost has been written off.

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.

HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 OCTOBER 2021

7. INVESTMENTS

a) Freehold investment properties

			2021 £	2020 £
At beginning of the year			12,131,410	12,131,410
Movement in year:				
	Sales proceeds		-	-
	Profit arising on sales	Note 12	-	-
	Surplus arising on revaluation	Note 12	2,897,138	-
At end of the year			15,028,548	12,131,410

The Hospital's Land Agents, Fowler Fortescue, revalued the investment properties on an Open Market Value basis at 31 October 2021. This produced an unrealised gain on revaluation of £2,897,138 which has been included in the financial statements, the gain being credited to the Permanent Endowment Fund.

b) Investment portfolio

	Permanent Endowment	Unrestricted: Former Residents Bequest	Total 2021 £	Total 2020 £
Investment income received	104,654	2,517	107,171	111,526
Management fees charged	(27,261)	-	(27,261)	(32,213)
Funds invested / (withdrawn)		(2,517)	(2,517)	(1,143,354)
Unapplied total return allocated to income	(104,654)	-	(104,654)	(108,515)
Realised and unrealised gains/(losses):				
Permanent Endowment	468,578	-	468,578	77,630
Former Residents Bequests		10,626	10,626	1,678
Net increase in portfolio value	441,317	10,626	451,943	(1,093,248)
Opening valuation	3,390,653	83,636	3,474,289	4,567,537
Closing valuation	3,831,970	94,262	3,926,232	3,474,289
Historical cost of listed investments	3,113,793	78,760	3,192,553	3,239,256
The investments are held as follows:				
	Investment portfolio		3,878,859	3,421,826
	Cash balances held by brokers		47,373	52,463
			3,926,232	3,474,289
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			3,878,859	3,421,826

As described in note 10, the permanent endowment investment portfolio contains £453,447 of unrestricted funds

HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 OCTOBER 2021

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 approximately equal to 3% of the opening value of the Permanent Endowment investment portfolio, which is available for charitable uses. For 2020-21 this transfer amounted to £104,654. 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:

			2021 £	2020 £
Total fixed assets			20,054,780	16,705,699
Exclude:	Heritage assets: The Hospital	Note 6	(1,100,000)	(1,100,000)
	Investment properties	Note 7a	(15,028,548)	(12,131,410)
	Residents Bequest Fund investments		(94,262)	(83,636)
			3,831,970	3,390,653

		Permanent Endowment £	Unapplied total return £	Total 2021 £	Total 2020 £
At beginning of period		2,628,681	761,972	3,390,653	4,485,579
Investment returns:	Realised and unrealised gains		468,578	468,578	77,630
	Investment income receivable		104,654	104,654	108,515
	Investment management costs		(27,261)	(27,261)	(32,213)
			545,971	545,971	153,932
Unapplied total return allocated to income			(104,654)	(104,654)	(108,515)
Unapplied total return unallocated at year-end			441,317	441,317	45,417
Additional funds invested / (withdrawn)		-	-	-	(1,140,343)
Net movement in reporting period		-	441,317	441,317	(1,094,926)
At end of period		2,628,681	1,203,289	3,831,970	3,390,653

As described in note 10, the permanent endowment investment portfolio contains £453,447 of unrestricted funds. For simplicity the calculation of unapplied total return is based on the entire portfolio.

9. DEBTORS

	2021 £	2020 £
Investment income - rental income held by Agents	41,542	8,591
Investment income - amounts due from tenants	4,266	3,700
Prepayments and other debtors	18,714	10,296
	64,522	22,587

10. INTERFUND BALANCES

The Charity holds two portfolios with Sarasin Asset Management". The larger of the two portfolios makes up part of the Charity's Endowment assets.

Although the investment portfolio is allocated to the endowment fund – it includes a balance of £453,447 of unrestricted funds. The Interfund balances reflects this unrestricted element of the portfolio.

HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 OCTOBER 2021

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors: Endowment Fund - re Blackford Room	25,342	145,162
Unrestricted Funds	77,114	47,566
Accruals and other creditors	16,596	7,450
Social security and other taxes	413	10,964
	118,466	211,142

12. PERMANENT ENDOWMENT FUND

		2021 £	2020 £
Income			
Donations towards Blackford Room development	Note 1a	9,050	216,720
Expenditure charged against Endowment Funds:			
Hospital: Blackford Room fundraising costs	Note 2	(2,389)	(45,272)
Hospital: Blackford Room development	Note 3d	(6,661)	(829,092)
Hospital: Heating Project	Note 3d	(79,979)	(173,223)
Estate: costs re future development site	Note 3d	(36,265)	(52,082)
Net expenditure in the year		(116,244)	(882,949)
Realised gain arising on sale of Investment Properties	Note 7	-	-
Unrealised gain arising on revaluation of Investment Properties	Note 7	2,897,138	-
Unapplied total return unallocated at year-end	Note 8	441,317	45,417
Net movement in funds during the year		3,222,211	(837,532)
Fund balances brought forward at start of year		16,329,518	17,167,050
Fund balance carried forward at end of year		19,551,729	16,329,518

13. RESTRICTED FUNDS

		2021 £	2020 £
Extraordinary Repairs Fund			
Expenditure during the year	Note 3a	(13,775)	(13,775)
Annual transfer from income account	Note 14	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 Almshouse 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.

HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 OCTOBER 2021

14. UNRESTRICTED FUNDS

	Income Fund	Buildings Fund	Former Residents Bequest	Giving Fund	Total 2021	Total 2020
	£	£	£	£	£	£
Surplus/(deficit) for the year	9,816	(162,149)	610	-	(151,723)	(34,001)
Allocated to Building Fund	(130,000)	130,000	-	-	-	-
Outgoing resources before transfers	(120,184)	(32,149)	610	-	(151,723)	(34,001)
Transfers						
Total Asset Return adjust. Note 7	104,654	-	-	-	104,654	108,515
Extraordinary Repairs Note 13	(13,775)	-	-	-	(13,775)	(13,775)
Outgoing resources after transfers	(29,305)	(32,149)	610	-	(60,844)	60,739
Investment gain Note 7	-	-	10,626	-	10,626	1,678
Net movement in funds during year	(29,305)	(32,149)	11,236	-	(50,218)	62,417
Fund balances at start of year	216,934	276,511	92,992	-	586,437	524,020
Fund balances at end of year	187,629	244,362	104,228	-	536,219	586,437

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.

15. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

At 31 October 2021 and 31 October 2020 there were no capital commitments or contingent liabilities.

16. 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.

17. 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 £1,358 (2019-20: £1,219). 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.

18. 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 2021

19a. PRIOR YEAR COMPARATIVES - STATEMENT OF FINANCIAL ACTIVITIES

	Endowment Funds £	Restricted Funds £	Unrestricted Funds £	Total £
Income from:				
Donations and legacies	216,720	-	4,855	221,575
Charitable activities	-	-	166,537	166,537
Investments	108,515	-	273,087	381,602
Total income	325,235	-	444,479	769,714
Expenditure on:				
Raising Funds	77,485	-	55,989	133,474
Charitable activities:				
Hospital operating costs	-	13,775	287,232	301,007
Administration costs	-	-	20,749	20,749
External grants	-	-	932	932
Exceptional costs	1,054,397	-	107,728	1,162,125
Governance costs	-	-	5,850	5,850
	1,054,397	13,775	422,491	1,490,663
Total expenditure	1,131,882	13,775	478,480	1,624,137
Net expenditure before gains	(806,647)	(13,775)	(34,001)	(854,423)
Net gains on investments:				
Investment properties	-	-	-	-
Investment portfolio	77,630	-	1,678	79,308
Net income / (expenditure) before transfers	(729,017)	(13,775)	(32,323)	(775,115)
Transfers between funds	(108,515)	13,775	94,740	-
Net movement in funds	(837,532)	-	62,417	(775,115)
Fund balances brought forward	17,167,050	-	524,020	17,691,070
Fund balances carried forward	16,329,518	-	586,437	16,915,955

HUGH SEXEY'S HOSPITAL

(A charitable company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 OCTOBER 2021

19b. PRIOR YEAR COMPARATIVES - BALANCE SHEET AND FUNDS

	Endowment Funds £	Restricted Funds £	Unrestricted Funds £	Total 2020 £
Fixed assets				
Heritage assets: The Hospital	1,100,000	-	-	1,100,000
Investments:				
Freehold properties	12,131,410	-	-	12,131,410
Investment portfolio	2,895,038	-	579,251	3,474,289
	<u>16,126,448</u>	<u>-</u>	<u>579,251</u>	<u>16,705,699</u>
Current assets				
Debtors	-	-	22,587	22,587
Cash at bank and in hand	350,000	-	48,811	398,811
	<u>350,000</u>	<u>-</u>	<u>71,398</u>	<u>421,398</u>
Creditors: amounts falling due within one year	(146,930)	-	(64,212)	(211,142)
Net current assets / (liabilities)	<u>203,070</u>	<u>-</u>	<u>7,186</u>	<u>210,256</u>
Total assets less current liabilities	<u>16,329,518</u>	<u>-</u>	<u>586,437</u>	<u>16,915,955</u>
Capital funds				
Permanent Endowment Fund	16,329,518	-	-	16,329,518
Income funds				
Restricted	-	-	-	-
Unrestricted	-	-	586,437	586,437
	<u>16,329,518</u>	<u>-</u>	<u>586,437</u>	<u>16,915,955</u>

UNRESTRICTED FUNDS COMPRISE:

	Income Fund £	Buildings Fund £	Former Residents Bequest £	Giving Fund £	Total £
Surplus/(deficit) for the year	38,543	(73,903)	1,359	-	(34,001)
Allocated to Building Fund	(130,000)	130,000	-	-	-
Outgoing resources before transfers	(91,457)	56,097	1,359	-	(34,001)
Transfers					
Permanent Endowment	108,515	-	-	-	108,515
Extraordinary Repairs	(13,775)	-	-	-	(13,775)
Outgoing resources after transfers	3,283	56,097	1,359	-	60,739
Investment losses	-	-	1,678	-	1,678
Net decrease in funds during year	<u>3,283</u>	<u>56,097</u>	<u>3,037</u>	<u>-</u>	<u>62,417</u>
Fund balances at start of year	213,651	220,414	89,955	-	524,020
Fund balances at end of year	<u>216,934</u>	<u>276,511</u>	<u>92,992</u>	<u>-</u>	<u>586,437</u>