

Hinxton Hall Limited Annual Report and Financial Statements For Year Ended 30 September 2017



WELLCOME
GENOME
CAMPUS

CONFERENCE
CENTRE

SATURDAY



A6LFHY4H

A14

16/12/2017

#297

COMPANIES HOUSE

Hinxton Hall Limited
Charity registration number 1048066
Company number 3062160

Contents

Trustees' report (including strategic report)	2
Independent auditor's report	8
Statement of financial activities	10
Balance sheet	11
Notes to the financial statements	12

Trustees' Report

The Directors of Hinxton Hall Limited ("the Company" or "the Charity"), who are also the Trustees of Hinxton Hall Limited, being a charity for the purposes of the Charities Act 2011, present their Annual Report and audited Financial Statements for the year ended 30 September 2017.

Independent Auditor

In accordance with Section 485 of the Companies Act 2006, a resolution dated 6 December 2016 was passed by the members reappointing Deloitte LLP as auditor of the Charity.

Reference and administrative information

Company Status

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

Directors/Trustees

M Dougherty (Chair)
G Kiff

Principal Address

Wellcome Genome Campus
Hinxton
Cambridgeshire
CB10 1RQ

Company Secretary

H Parkinson

Registered Office

Gibbs Building
215 Euston Road
London
NW1 2BE

Independent Auditor

Deloitte LLP
Statutory Auditor
2 New Street Square
London
EC4A 3PA

Bankers

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

Solicitors

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

Structure, Governance and Management

Members

The Charity has two members, The Wellcome Trust Limited, as Trustee of the Wellcome Trust, and Genome Research Limited. The Charity is a wholly-owned subsidiary of the Wellcome Trust for accounting purposes. The liability of each member is limited to £1.

Board of Trustees

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

None of the Trustees has any beneficial interests in the Charity. The Trustees do not receive any remuneration for acting as Trustees or Directors.

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

Objects

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

Aims

The Trustees confirm that they have had regard to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

The Charity continues to fulfil its charitable objects by undertaking three key charitable activities:

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

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

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

Strategic Report

Achievements and Performance

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

Facilities management services to the value of £14.4 million (2016: £14.1 million) were provided to maintain and enhance the infrastructure of the Wellcome Genome Campus and support the organisations on campus undertaking scientific research and education. The Charity also provided design and construction services to Wellcome Genome Campus to the value of £5.7 million (2016: £13.4 million). In July 2016 the Charity completed construction of a new building facility: the Biodata Innovation Centre, which has been used by Genome Research Limited and its tenants to conduct research and development in genomics and biodata. During the current year the Charity undertook construction of a new quadrant for the Genome Campus datacentre, including an uninterrupted power supply, for use by Genome Research Limited, due for completion in February 2018.

The value of activities relating to conference facilities amounted to £2.7 million (2016: £3.3 million), including £nil (2016: £0.3 million) from capital grants received for the continued expansion of the Wellcome Genome Campus Conference Centre. During the year the facility was used to host 23 (2016: 17) scientific conferences organised by Genome Research Limited.

Environment

The Charity conducts its business with the highest level of Environmental Stewardship, recognising that the site location is environmentally sensitive, possessing an area of managed wetland abutting the River Cam. At the same time the parkland setting is exploited to enrich the working lives of staff and visitors who enjoy ready access to it. The group, through fellow subsidiary Genome Research Limited (GRL) undertook several initiatives to reduce energy consumption and encourage staff to be environmentally responsible, including:

- Appointment of a Travel and Environment Manager to develop our green travel policy and projects to maximise site benefit and provide input to green travel elements of the Site Vision.
- Upgrading to the ISO 14001:2015 environmental management system excellence accreditation, so that all of our business processes operate to best practice, backed up by regular audits and inspections.
- GRL is progressing towards ISO 50001 for Energy Management. Baseline audits of energy consumption and use are complete, and improved reporting is in place.
- All new buildings, and where refurbishments are completed, are fully equipped with metering for electricity, gas and water to ensure that we have a detailed understanding of our energy balance, so that as well as minimising waste, we can provide information to our users to help them minimise use.
- We operate a large Combined Cooling Heating and Power (CCHP) plant on the southern section of the Campus, allowing us to generate power with reduced emissions of CO₂ (as compared to national grid electricity) and benefit from cooling and heating created from the waste heat from the generator plant.
- We have reviewed and upgraded our waste management strategy to improve on our targets of reducing waste to landfill by improved recycling and we have appointed a new service for the disposal of clinical and offensive waste from research activities with stronger management and duty of care.
- Water consumption and emissions to the public sewer have been reviewed with our service provider Anglian Water.
- Our grounds are enjoyed by all staff and visitors as an amenity, and this has also been interwoven into our environmental programme for biodiversity, with opportunities to study wildlife and flora in our wetlands abutting the River Cam, keep our own beehives and create wildflower meadow areas on site.

Health and Safety

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

- In the annual Royal Society for the Prevention of Accidents (RoSPA) Research and Development Sector awards, the Genome Campus was commended. This is based upon a portfolio of evidence submitted on the various elements of the campus health and safety management system. This is reviewed by external health and safety professionals on behalf of RoSPA.

- Health and safety training is a key element of managing safety across the Genome Campus. 1,487 individuals attended training in 29 different topics. This ranged from general/scientific inductions and risk assessment, to more specialist training such as laboratory ergonomics.
- Assurance programme - Campus Health and Safety run an internal assurance programme, which includes laboratory inspections and more in-depth audits. Each inspection is scored in four or five different topics and an aggregate overall total calculated. From 65 inspections carried out, less than 5 per cent of teams scored an overall total of less than 80 per cent.
- Two audits have been undertaken across Campus on the control of contractors within the Customer Services and Capital Project teams, as well as the procurement, storage, use and disposal of chemical substances within the Scientific Operations teams.
- Daily engagement activities were arranged for a health, safety and environment week which included home fire safety, laboratory and office ergonomics, personal driver awareness, as well as energy saving and waste management. A new focus on combatting the causes of stress and improving mental wellbeing was launched, which will include workshops on managing stress, and the formation of a mental health first aid team. During 2017 83 lost days were recorded by GRL employees resulting from a stress-related condition.
- 81 incidents resulting in injury were reported of which 83 per cent were classified as minor. Eight RIDDOR reports were submitted to the Health and Safety Executive (HSE), for injuries to GRL employees or its contractors. Six reports were for overuse injuries (musculoskeletal disorders) involving laboratory employees. The number of RIDDOR reports represents a 100 per cent increase on the 2016 value, resulting from an increased awareness of musculoskeletal disorders. There has been one enforcement visit from the HSE, relating to an injury to a contractor. No further HSE action was taken.
- Positively since 4Q 2016 the number of near-miss events reported has increased by 1.6 times the number of recorded injury events. Our target is 3-fold.

Reserves and Expenditure Policy

The Charity does not consider it necessary to hold reserves due to the structure of its funding from Wellcome, although due to the timing of construction and facilities work undertaken, reserves may fluctuate from year to year. Wellcome provides sufficient funding to enable the Charity to finance its general activities and meet any of its obligations as they fall due. This funding structure is reviewed every five years. The year ended 30 September 2017 was the first year of the current quinquennial funding period. In the event of a change in funding approach the reserves policy would be reviewed.

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

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

For planning purposes an annual budget is agreed with Wellcome and the Wellcome Genome Campus facilities management customers. The Trustees monitor the expenditure of the Charity and provide an oversight of the internal budgetary and financial control mechanisms. The Charity agrees funding of capital projects and recovery of costs from Wellcome and Genome Research Limited and other customers such that all expenditure is covered by income and a reserve fund to cover future activities is not required.

Fixed Assets

The fixed assets of the Charity, as set out in note 8 to the Financial Statements, represent the costs, less accumulated depreciation, incurred at the Wellcome Genome Campus. In the opinion of the Trustees, there is no significant difference between the market value of the lease of land and buildings from Genome Research Limited and the net book value of the leasehold land and buildings. The Trustees do not consider any other asset values to be impaired.

Employment

The Charity has no employees (2016: no employees), with services provided being sub-contracted from third parties. The management and administration of the Charity is undertaken by staff seconded from Genome Research Limited.

Hinxton Hall Limited

For the year ended 30 September 2017

Financial Review

The Charity reported net expenditure for the year of £1.1 million (2016: net expenditure £0.8 million). The net movement on funds has been recorded in the Restricted Building and Unrestricted General Funds as appropriate. The Charity held net assets at 30 September 2017 of £41.7 million (2016: £42.8 million) represented by restricted building funds of £38.6 million (2016: £39.6 million) and unrestricted funds of £3.1 million (2016: £3.2 million).

Future Plans

During the year ending 30 September 2018, facilities management services are expected to increase in support of the strategy for the Wellcome Genome Campus.

The Directors are satisfied that it is appropriate to adopt the Going Concern basis in preparing the financial statements. Wellcome, the Charity's principal funder has committed to provide grant awards of £20.8 million for maintenance and improvement of Campus facilities for the five years to 30 September 2021. Other services will be undertaken only where funding is committed at the outset.

Risks and uncertainties

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

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

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

The Trustees' Report, which includes the Strategic Report, was approved by the Board of Directors on 7 December 2017 and signed on its behalf by:



M Dougherty
(Chair)

Dated 7 December 2017

Statement of Trustees' Responsibilities

The Directors are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 "the Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the Directors to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Company and of the incoming resources and application of resources, including the income and expenditure, of the Company for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue its activities.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the 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.

As far as the Directors are aware:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors 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.

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Independent Auditor's Report

To the members of Hinxton Hall Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Hinxton Hall Limited (the 'charitable company') which comprise:

- the statement of financial activities;
- the charitable company balance sheet;
- the statement of accounting policies; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

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

Conclusions relating to going concern

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

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

We have nothing to report in respect of these matters.

Other information

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

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

We have nothing to report in respect of these matters.

Hinxton Hall Limited

For the year ended 30 September 2017

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

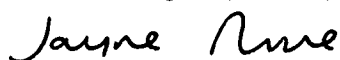
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report included within the trustees' report.

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.



Jayne Rowe FCCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, UK

Hinxton Hall Limited
Statement of Financial Activities (incorporating income and expenditure account)
For the year ended 30 September 2017

	Note	Restricted Building Fund £000s	Unrestricted General Fund £000s	2017 Total £000s	2016 Total £000s
INCOME					
Income from charitable activities					
Construction services		-	5,734	5,734	13,444
Facilities management services	4	-	14,353	14,353	14,145
Conference centre	4	-	2,680	2,680	3,341
		-	22,767	22,767	30,930
Other income					
Interest		-	1	1	3
Total income		-	22,768	22,768	30,933
EXPENDITURE					
Charitable activities					
Construction services		-	5,734	5,734	13,444
Facilities management services		470	14,415	14,885	14,707
Conference centre		538	2,681	3,219	3,545
Total expenditure	5	1,008	22,830	23,838	31,696
Net expenditure for the year		(1,008)	(62)	(1,070)	(763)
Fund balances brought forward at 1 October	12	39,568	3,189	42,757	43,520
Fund balances carried forward at 30 September		38,560	3,127	41,687	42,757

An analysis of income and expenditure by fund for the year ended 30 September 2016 is shown in note 14.

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

There is no material difference between the net expenditure before other recognised gains and losses and the net expenditure in the financial year stated above and their historical costs equivalents.

All activities are continuing.

The notes to the financial statements are on pages 12 to 18.

Hinxton Hall Limited
Balance Sheet
As at 30 September 2017

	Note	2017 £000s	2016 £000s
Tangible fixed assets	8	41,437	42,573
Current assets			
Stock		10	-
Debtors	9	3,980	3,210
Cash at bank and in hand		649	319
Total current assets		4,639	3,529
Creditors: amounts falling due within one year	10	4,389	3,345
Net current assets		250	184
Total assets less current liabilities		41,687	42,757
Funds			
Restricted building fund	12	38,560	39,568
Unrestricted general fund	12	3,127	3,189
Total funds		41,687	42,757

The Financial Statements were approved and authorised for issue by the Board of Trustees on 7 December 2017 and signed on its behalf by:



M Dougherty
Chair

7 December 2017

The notes to the financial statements are on pages 12 to 18.

Notes to the Financial Statements

1. ACCOUNTING POLICIES

a) *Basis of Preparation*

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

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

The Charity meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it. Exemptions have been taken in relation to presentation of a cash flow statement.

b) *Income*

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

c) *Fund Accounting*

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

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

d) *Tangible Fixed Assets and Depreciation*

Fixed assets are stated at historic cost less accumulated depreciation.

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

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

All expenditure on the acquisition, creation or enhancement of fixed assets is capitalised on an accruals basis, subject to a de minimis threshold of £5,000. Depreciation is charged on assets in use from the commencement of the month in which they are brought into use. Leasehold Land and Buildings are amortised over the life of the lease which expires on 6 February 2055. Impairment reviews are undertaken when, in the opinion of the Trustees, events or circumstances have arisen which indicate that the carrying value of an asset is impaired (refer to Note 2).

e) *Expenditure*

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

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

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

f) *Taxation*

Hinxton Hall Limited is a charity registered under the Charities Act 1993 (as amended by the Charities Act 2011) and is therefore exempt from taxation on their income and gains falling within Part 11 of the Corporation Tax Act 2010 or

section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to their charitable purposes.

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

g) Going concern

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

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In application of the Charity's accounting policies which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements

Revenue recognition

The Charity recognises grant income to the extent it is entitled to the funds, has fulfilled the conditions set out by the grant funder and where the amount can be quantified with reasonable probability. Judgement is required to determine the point at which these conditions have been met. The Charity assesses each grant on an ongoing basis to evaluate progress against grant conditions.

Impairment of assets

The Charity holds substantial fixed assets, including buildings, related infrastructure and ongoing construction on the Wellcome Genome Campus. Judgement is required to assess whether these assets will continue to derive value for the organisation through use by Genome Research Ltd and other campus tenants in line with its charitable aims. The Charity impairs assets where they are no longer considered to provide such benefit to the users. No impairment was recorded in the current or previous year.

Intercompany loans

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

Key sources of estimation uncertainty

Credit risk

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

Capital versus operating expenditure

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

3. DIRECTORS' EMOLUMENTS AND EXPENSES

The Directors of the Company (who are also Trustees of the Charity and the key management personnel of the Company) received no remuneration or expenses payments from the Company for their services nor were any expenses paid on their behalf. The Directors' are also employees of fellow Group company Genome Research Ltd and are paid by that

Hinxton Hall Limited
For the year ended 30 September 2017

company. Staff costs disclosed in Note 7 do not include any remuneration in respect of the key management personnel. There were no Directors for whom retirement benefits are accruing under a money purchase or defined benefit scheme. The Company does not issue share options or offer any long-term incentive schemes.

4. INCOME FROM CHARITABLE ACTIVITIES

	Restricted Building Fund £000s	Unrestricted General Fund £000s	2017 Total £000s	2016 Total £000s
Construction services	-	5,734	5,734	13,444
Facilities management services				
Services charges	-	13,625	13,625	13,959
Capital grants from Wellcome	-	278	278	156
Revenue grants from Wellcome	-	450	450	30
	-	14,353	14,353	14,145
Conference centre				
Conference centre sales	-	2,245	2,245	2,430
Capital grants from Wellcome	-	-	-	316
Revenue grants from Wellcome	-	435	435	595
	-	2,680	2,680	3,341

5. NET EXPENDITURE

Net expenditure is stated after charging:

	Restricted Building Fund £000s	Unrestricted General Fund £000s	2017 Total £000s	2016 Total £000s
Total expenditure includes				
Operating lease costs	-	150	150	150
Fees payable to the Charity's auditor for audit services	-	14	14	18
	-	164	164	168
Depreciation				
Facilities management services	470	348	818	845
Conference centre	538	51	589	572
	1,008	399	1,407	1,417

Included within facilities management services is support costs, consisting of audit fees of £14,000 (2016: £18,000).

6. OPERATING LEASE COMMITMENTS

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

	Property £000s	Other £000s	2017 Total £000s	2016 Total £000s
Due in less than one year	150	-	150	150
Due between two on five years	600	-	600	600
Due after 5 years	4,866	-	4,866	5,016
	5,616	-	5,616	5,766

Charity registration number 1048066
Company number 3062160

Hinxton Hall Limited
For the year ended 30 September 2017

7. STAFF COSTS

The Charity has no employees (2016: no employees), as services provided are sub-contracted from third parties. The management and administration of the Charity is undertaken by staff employed by Genome Research Limited. Staff costs recharged to the Charity amounted to £0.8 million in the year (2016: £0.6 million).

8. TANGIBLE FIXED ASSETS

	Leasehold land and buildings £000s	Plant equipment and vehicles £000s	Office equipment and computers £000s	Furniture and fittings £000s	Assets in the course of construction £000s	Total £000s
Costs as at 1 October 2016	49,224	5,179	230	789	919	56,341
Additions	-	274	4	-	-	278
Disposals	-	(49)	(1)	-	-	(50)
As at 30 September 2017	49,224	5,404	233	789	919	56,569
Depreciation as at 1 October 2016	(10,576)	(2,210)	(230)	(752)	-	(13,768)
Charge for the year	(1,008)	(387)	(1)	(14)	-	(1,410)
Eliminated on disposal	-	45	1	-	-	46
As at 30 September 2017	(11,584)	(2,552)	(230)	(766)	-	(15,132)
Net book value as at 30 September 2017	37,640	2,852	3	23	919	41,437
Net book value as at 30 September 2016	38,648	2,969	-	37	919	42,573

9. DEBTORS

	2017 £000s	2016 £000s
Trade debtors	359	76
Amounts owed by Wellcome group entities	2,598	2,778
Other debtors	5	5
Prepayments and accrued income	1,018	351
	3,980	3,210

Hinxton Hall Limited
For the year ended 30 September 2017

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £000s	2016 £000s
Trade creditors	1,719	521
Amounts owed to Wellcome group entities	114	253
Accruals and deferred income	2,556	2,571
	4,389	3,345

The amounts owed to Wellcome group entities includes a loan of £nil (2016: £253,000) due to Wellcome Trust Trading Limited and is unsecured and interest bearing at a rate of 0.2% (2016 0.2%). It is payable on request from Wellcome Trust Trading Limited.

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

	2017 £000s	2016 £000s
At 1 October	33	12
Amounts billed in advance to customers	321	622
Released to income	(281)	(601)
At 30 September	73	33

11. COMMITMENTS

As at 30 September 2017 commitments contracted but not accrued of £3.8 million were outstanding, relating to construction of the Genome Campus datacentre (2016: £0.2 million relating to construction of the Bridget Ogilvie Building and Biodata Innovation Centre).

12. FUND MOVEMENTS

	Restricted Building Fund £000s	Unrestricted General Fund £000s
Balance at 1 October 2015	40,255	3,265
Income	316	30,617
Expenditure	(1,003)	(30,693)
Balance at 1 October 2016	39,568	3,189
Income	-	22,768
Expenditure	(1,008)	(22,830)
Balance at 30 September 2017	38,560	3,127

Hinxton Hall Limited
For the year ended 30 September 2017

13. ANALYSIS OF NET ASSETS BY FUND

	Restricted Building Fund 2017 £000s	Unrestricted General Fund 2017 £000s	Restricted Building Fund 2016 £000s	Unrestricted General Fund 2016 £000s
Tangible fixed assets	38,560	2,877	39,568	3,005
Stock	-	10	-	-
Debtors	-	3,980	-	3,210
Cash	-	649	-	319
Creditors	-	(4,389)	-	(3,345)
	38,560	3,127	39,568	3,189

14. ANALYSIS OF INCOME AND EXPENDITURE BY FUND

	Restricted Building Fund £000s	Unrestricted General Fund £000s	2017 Total £000s	Restricted Building Fund £000s	Unrestricted General Fund £000s	2016 Total £000s
INCOME						
Income from charitable activities						
Construction services	-	5,734	5,734	-	13,444	13,444
Facilities management services	-	14,353	14,353	-	14,145	14,145
Conference centre	-	2,680	2,680	316	3,025	3,341
	-	22,767	22,767	316	30,614	30,930
Other income						
Interest	-	1	1	-	3	3
Total income	-	22,768	22,768	316	30,617	30,933
EXPENDITURE						
Charitable activities						
Construction services	-	5,734	5,734	-	13,444	13,444
Facilities management services	470	14,415	14,885	483	14,224	14,707
Conference centre	538	2,681	3,219	520	3,025	3,545
Total expenditure	1,008	22,830	23,838	1,003	30,693	31,696
Net (expenditure)/income for the year	(1,008)	(62)	(1,070)	(687)	(76)	(763)
Fund balances brought forward at 1 October	39,568	3,189	42,757	40,255	3,265	43,520
Fund balances carried forward at 30 September	38,560	3,127	41,687	39,568	3,189	42,757

15. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption contained in in FRS 102, paragraph 33.1A, which exempts it from disclosing details of transactions with Wellcome and its subsidiaries, as the Company is a wholly-owned subsidiary of The Wellcome Trust Limited, as Trustee of the Wellcome Trust.

16. CONTROLLING ENTITY AND EXEMPTIONS

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

The Trustees regard the Wellcome Trust as the ultimate parent company and controlling party. The Wellcome Trust is a charity registered in England and Wales, no. 210183. Its address is Gibbs Building, 215 Euston Road, London, NW1 2BE. Its key activities are dedicated to improving health.

Copies of Wellcome Annual Report and Financial Statements 2017 are available from Wellcome's website (www.wellcome.ac.uk/about-us) or, without charge, from the Company Secretary.