

ANNUAL REPORT AND GROUP ACCOUNTS
OF
GREAT HOSPITAL, NORWICH
FOR THE YEAR ENDED 31 MARCH 2020

GREAT HOSPITAL, NORWICH
ANNUAL REPORT AND STATEMENT OF ACCOUNTS
YEAR ENDED 31 MARCH 2020

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GREAT HOSPITAL, NORWICH
ANNUAL REPORT AND STATEMENT OF ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2020

The Trustees of the Great Hospital are:

Mr J P Stanley MA (Oxon) FCA	Chairman
Mr J A Banham FCA CF	Vice Chairman
Mr M Brookes (retired 31 March 2020)	
Mr D H Buck	
Mrs E Crocker BA JP (retired 31 March 2020)	
Mr F N Davey (appointed 20 September 2019)	
Mrs C Jeffries	
Mr D R Marris Dipl Arch. RIBA	
Mrs G A Pearson	
Dr J S Powell MB ChB MRCP	
Dr C A Singh MB ChB MRCP DRCOG DCH	
Mr W J Walker BSc FRICS	
Mr A J Yuill (appointed 6 December 2019)	

The Officers, Senior Managers and principal external advisors were:

Master and Chief Executive	Mr A J Barnes
Clerk & Company Secretary	Mr W R C Riley
Executive Manager	Miss N S Tansley BA
Care Manager	Ms A M Loveday Registered Care Manager RGN
Estate Manager	Mr A Buckingham BSc
Finance Manager	Miss E Tabora ACCA
Chaplain	The Rev'd Canon E Langan
Steward	Mr N F Saffell FRICS

Principal Office	The Great Hospital Bishopgate Norwich NR1 4EL
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Bankers	Barclays Bank Plc 5-7 Red Lion Street Norwich NR1 3QH
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Solicitors	Leathes Prior 74 The Close Norwich NR1 4DR
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Auditors	Larking Gowen LLP King Street House 15 Upper King Street Norwich NR3 1RB
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Investment Managers	Investec Wealth and Investment Limited 30 Gresham Street London EC2V 7QN
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GREAT HOSPITAL, NORWICH

REPORT OF THE TRUSTEES

YEAR ENDED 31 MARCH 2020

The Trustees have pleasure in presenting their report and the financial statements for the year ended 31 March 2020. The purpose of these is to discharge the Trustees' duty of public accountability and stewardship.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Trust Deed (the Scheme of Charity), the Accounting Direction for Private Registered Providers of Social Housing in England 2019 and with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)).

Reference and administrative details of the Charity, its Trustees and Advisors

The Great Hospital, situated in Bishopgate in the City of Norwich, is an unincorporated association, founded in 1249 by Walter de Suffield, Bishop of Norwich.

The Great Hospital is a Registered Charity (number 211953), governed by a Scheme of the Charity Commissioners dated 12 January 1983 (as amended by Schemes dated 2nd July 1996 and 15th January 2001). It is a Registered Social Landlord with the Regulator of Social Housing (number A0846) and also registered by the Care Quality Commission as a provider of Domiciliary Care.

The Charity has significant endowments in the form of directly-owned property and financial instruments of various types which the Trustees and Master manage with the advice of professional advisors. The income is used for the purposes as specified in the Scheme of Charity.

The names of the Trustees who have served during 2019/20 are set out on page 1, together with the names of Officers and Senior Managers of the Charity and external advisors.

Structure, governance and management

A Board of Trustees is responsible for the governance of the Great Hospital. Each Trustee is appointed by the Board of Trustees for a term of office of five years, after which period they may put themselves forward for re-appointment. All Trustees must live within a radius of 25 miles of the Cathedral Church of Norwich.

The Board of Trustees elects new Trustees who have the knowledge and experience to ensure that there is an appropriate skill mix to meet the needs of the Charity. New Trustees are required to complete an induction course which enables them to understand fully the aims and ethos of the Great Hospital and to help them to identify the risks, benefits and opportunities that exist.

The full Board of Trustees meets quarterly and the Policy Committee meets biannually. There are two other major Committees which meet quarterly: the Finance Committee and the House Committee. These Committees oversee all policy and investment matters pertaining to the operation of the Charity. The Committees' meetings allow for effective input from Trustees in their particular area of expertise and for close working relationships with the senior management team. Each Committee Chairman reports to the full Trustee Board quarterly (the Policy Committee biannually).

Trustee training sessions are held annually and also when needed for specific requirements. The Policy Committee keeps this under review on a regular basis. Strategic reviews are conducted annually by the Policy Committee.

Different aspects of the work of the Great Hospital are regulated by three external statutory bodies, the Charity Commission, the Regulator of Social Housing and the Care Quality Commission. Historic England has formal oversight of the management of the heritage buildings which are of national and international significance and the Great Hospital is a member of the Almshouse Association.

The Master has the delegated authority to manage the Charity within the terms of the Scheme of Charity and in accordance with agreed policies and budgets, which are set by the various Committees and ratified at the Trustees' plenary sessions. During the coronavirus pandemic the Trustees have provided oversight and support by way of frequent Zoom meetings with the Master.

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Salaries for the senior management team are set by the Master who monitors similar executive positions in the charity sector both locally and nationally. The Master's (CEO's) salary is determined by the Trustees, taking into account the skill set needed for the position and remuneration packages offered for similar appointments both locally and nationally.

Connected Charities

There are two connected Charities. They are Preachers' Charity (registered number 212127) and Sir Peter Seaman's Charity (registered number 311101). The Trustees of the Great Hospital are also Trustees of both of these Charities and both are managed by the Master of the Great Hospital in accordance with the various Schemes.

The objects of the Preachers' Charity are to distribute two-thirds of the Charity's net income for the religious and other charitable work of the Dean and Chapter of Norwich Cathedral and the remaining one third for the benefit of the inhabitants of the City of Norwich. The City is defined as the electoral area of the City and the contiguous parishes of Old Catton, Sprowston, Thorpe St Andrew, Trowse with Newton, Cringleford, Colney, Costessey, Taverham, Drayton, Hellesdon and Horsham and Newton St Faiths. The Charity distributed £7,152 for the benefit of the inhabitants of the City of Norwich during the year ended 31 March 2020.

The objects of the Sir Peter Seaman's Charity are to promote the education, including social and physical training, of young persons under the age of 21 living in the City of Norwich who, in the opinion of the Trustees, are in need of financial assistance. The City is defined as the electoral area of the City and the contiguous parishes of Old Catton, Sprowston, Thorpe St Andrew, Trowse with Newton, Cringleford, Colney, Costessey, Taverham, Drayton, Hellesdon and Horsham and Newton St Faiths. The Trustees distributed £13,328 in the year ended 31 March 2020.

Risk assessment and management

The Trustees have a formal risk management process to identify and assess risks and implement risk management strategies. This has involved identifying the types of risks the Charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying appropriate means of managing the risks. The risk register is reviewed at least annually but more often if other risks to the organisation emerge.

Key risks considered include the ongoing financial viability of the Great Hospital and operational risks relating to health and safety. The Great Hospital relies on a combination of resident contributions mostly funded from state benefits and returns from its investment portfolio in order to provide care and support for its residents and preserve the fabric of its heritage buildings. To attract and retain residents a regular programme of refurbishment is carried out to ensure accommodation remains of an appropriate standard and provides value for money. Flexibility is maintained by the Great Hospital in the generation of investment returns from its adoption of a "total return" approach to investments allowing the portfolio of investments to be constructed to maximise returns within an acceptable level of risk. As a part medieval site with numerous steps and uneven surfaces accessed both by older residents and increasing numbers of visitors, the Trustees and Managers are very conscious of potential health and safety hazards. Residents also have cooking facilities within their accommodation. The Great Hospital has therefore developed a comprehensive health and safety framework and culture led by the Master, supported by the Health and Safety Committee, with regular training for all employees, fire marshals and first aiders permanently on site, and regular risk assessments, safety checks and inspections.

Statement of responsibilities of the Board of Trustees

Charity and registered social housing legislation requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Charity and of the surplus or deficit for that period. In preparing these financial statements, the Trustees are required to:

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

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The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable it to ensure that the financial statements comply with the Trust Deed (the Scheme of Charity), the Charities Act 2011, Schedule 1 to the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing in England 2019. They are also responsible for safeguarding the assets of the Charity and for taking appropriate measures to ensure the prevention and detection of fraud and other irregularities.

Public Benefit

In setting the objectives for the year, the Trustees have once again given careful consideration to the Charity Commission's general guidance on public benefit and continue to be mindful of their responsibilities in this regard. The Great Hospital was originally founded to provide relief for the poor and needy of the City of Norwich through the provision of shelter and sustenance and the wellbeing and interests of the residents remain the primary focus. Further, the Trustees are fully committed to maintaining the unique and important set of medieval and other heritage buildings and continue to fund a significant programme of maintenance and refurbishment. The Great Hospital site is being increasingly opened up to the public with open days and many other events organised by the subsidiary company, TGH (Commercial) Limited, albeit since March 2020 these activities have been wholly curtailed by necessity during the coronavirus pandemic for the protection of the residents on site.

Charity's Fundraising Work

The Trustees, the Master and the senior management team are clear about "who we are", "what we do" and how donations are used. They respect the rights, dignities and privacy of the Great Hospital's supporters and beneficiaries, and those of the connected Charities of Preachers' Charity and Sir Peter Seaman's Charity, and do not put undue pressure on a prospective donor to make a gift. If a prospective donor does not want to give, or wishes to cease giving, the decision will be respected entirely.

Professional telephone or street fundraisers, or commercial participators, are not employed or otherwise engaged to carry out fundraising activities and nor does the Great Hospital, Preachers' Charity or Sir Peter Seaman's Charity directly approach members of the public.

The Great Hospital, Preachers' Charity and Sir Peter Seaman's Charity comply with all relevant statutory regulations, including the Charities Act 2011, Data Protection Act 2018, the General Data Protection Regulation 2016/679 and the Privacy and Electronic Communications Regulations 2003. There were no breaches of these regulations in the period. The Trustees, the Master and the senior management team always seek to act in ways that are legal, open, honest and respectful - striving for best practice in fundraising. This includes logging, recording and responding to all complaints. No complaints were received in the period.

Objects and activities

The 'objects' of the Great Hospital as set out in the Scheme of Charity are:

'The object of the Charity shall be the provision and maintenance in the City of Norwich of the Parish Church of St Helen and of the almshouses known as the Great Hospital founded in accordance with the benevolent designs of King Edward the Sixth'.

Eligibility for residency at the Great Hospital is in accordance with the Scheme of Charity and as detailed in the Admissions Policy. Applicants who satisfy the age criteria must be resident in the greater Norwich area (as defined in the Scheme), must be in need and would, in the view of the Trustees as advised by the Master, benefit from being a resident. Persons who are resident elsewhere but who have lived or worked in Norwich will also be considered.

The 'aims' of the Charity are:

1. To preserve the fabric of the heritage building stock.
2. Whenever possible, to provide a home for life for the residents in a secure and safe community.
3. To provide care and support principally on a domiciliary basis.
4. To continue to grow future investment income by investing endowment funds in appreciating assets as market conditions permit.
5. To use the heritage assets to generate revenue and to be accessible to the public at large while acknowledging the sensitivity of the site and the wishes of the residents who live on it.

Each year the Trustees review the objectives and activities to ensure they continue to reflect the aims.

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As noted earlier, in carrying out this review the Trustees have considered the Charity Commission's general guidance on public benefit and have also assessed the outcomes in terms of value for money.

Details of the specific objectives of the Great Hospital for the year ended 31 March 2020 and of the progress achieved in relation to these are as follows:

To submit a planning application for residents' accommodation and office facilities on the Elaine Herbert House site.

More detailed work has been undertaken and planning and listed building applications were submitted as appropriate and permissions were granted for-

- The internal and external remodelling of the unused plant room in the East Wards into community space, dated 22 May 2019.
- The change of use of White Cottages to sheltered housing and associated external alterations, dated 28 May 2019.
- The demolition of the care unit and the construction of a 19 unit sheltered housing building and associated landscaping, dated 25 June 2019.

To develop the Great Hospital events operation through its subsidiary company.

The events operation has been promoted actively. However, as already stated, since March 2020 these activities have been wholly curtailed by necessity during the coronavirus pandemic for the protection of the residents on site and it is anticipated that there will be little or no events activity in the financial year 2020/21.

Overview of the accounts

Summary

The Great Hospital's targeted occupancy level in the financial year was achieved at 97% and this has resulted in net expenditure before gains and losses for the year of £130,746 (2019: £81,100) with a 3.21% increase in income to £2,101,498 and a 5.43% increase in expenditure to £2,232,244. The Charity's actual performance is being measured against the budget on a monthly basis and any variances against the budget are investigated to improve efficiency and performance.

In accordance with its charitable and strategic objectives, the Great Hospital maintains, repairs and improves the buildings on its site and seeks to provide enhanced accommodation for the benefit of its residents. It has achieved savings and greater value for money from procuring services from alternative suppliers and in reviewing its working practices. It has introduced regular tendering procedures for procurement where they did not exist and is implementing a long term plan for investment in more efficient energy provision to realise cost savings, environmental benefits and increased comfort for residents, including heating installations and improvements in thermal efficiency.

The total net assets of the Charity decreased by 4.93% to £31,818,666 primarily due to a decrease in the value of investments following reaction of the financial markets to the outbreak of coronavirus..

Investment policy

The Trustees have the power to administer and manage the assets of the Charity. The Trustees have delegated the management of its investment portfolio of stocks and shares to Investec Wealth and Investment Limited, a firm of independent investment managers.

Investment returns are a critical source of funding both in respect of the provision of services to residents and in terms of the maintenance of the heritage buildings. Trustees agree a target real rate of return (over and above the return required to maintain the inflation adjusted value of the Endowment Fund) with Investec Wealth and Investment Limited's Investment Managers based on their expert view of potential future returns. The benchmark portfolio recognises the Great Hospital's long-term investment horizon and risk appetite. In the year to 31 March 2020 the financial investments portfolio achieved a total return of -5.7% compared to a benchmark return of -5.9%.

The Trustees have also delegated the day to day management of its property portfolio to Brown & Co – Property and Business Consultants LLP, a firm of independent Chartered Surveyors. Brown & Co have been instructed to maximise the rental income from properties, reporting to the Master and Trustees as necessary,

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and also to advise the Trustees of any new investment opportunities.

Total Return policy

The Trustees continue to take advice from their investment advisors on expected long term real rates of return from the investment portfolio. The advice takes into consideration a number of factors including the construction of the Charity's investment portfolio, the position in the investment cycle and the outlook for inflation.

The total return approach enables the Trustees to decide each year how much of the unapplied total return is transferred to income funds and is available for expenditure.

To determine the transfer each year the Trustees review the balance of the unapplied total return, the latest view from Investec Wealth and Investment Limited on sustainable real returns and the operational requirements of the Charity. Further information is disclosed in note 22.

Following this review a provisional allocation to income funds is set for budgeting purposes and performance is monitored on a quarterly basis during the financial year. The actual allocation to income funds for the year is confirmed at the final Finance Committee meeting each financial year. During the year ended 31 March 2020 the Trustees reviewed the performance of the investment portfolio in order to satisfy themselves that the current levels of transfer remained sustainable. The Trustees were pleased to note that the value of the Charity's assets had outperformed the target of keeping pace with inflation and had in fact increased in real terms over the 7 years since April 2013 when the total return approach had been introduced.

Reserves policy

The Great Hospital aims to hold around £500,000 in income as working capital, representing 3 months worth of expenditure. The balance at 31 March 2020 was £545,556 (2019: 1,022,508).

It is not considered necessary to hold reserves at a higher level as the Total Return Approach to investment management means additional funds can be transferred from the Endowment Fund as and when required.

The Endowment Fund stood at £22,267,253 at 31 March 2020. Under the Total Return Approach, the entirety of the Endowment Fund can be utilised for the benefit of current and future beneficiaries other than an amount of £5,091,310 known as the Investment Fund, representing the value of original donations.

Assets

The overall value of the Charity's net assets on 31 March 2020 was £31,818,666. Fixed and current assets are as set out in the balance sheet.

The value of the Charity's non-property investments other than those held as cash deposits was £16,314,856.

The investment property portfolio, which comprises residential, commercial and agricultural land and buildings, was valued on 31 March 2020 at £5,645,286 (note 14) using the formal valuation.

In view of the Charity's substantial investments and assets the Trustees consider there is no material uncertainty in relation to the going concern assessments, despite the impact of COVID-19.

Value for money

In accordance with the Great Hospital's charitable purpose, in particular its obligation to maintain the accommodation occupied by residents and the other buildings on its site, the Charity's operational expenses are subsidised from the return on its capital funds and investments.

The value of that subsidy in the current financial year amounts to £760,873 (2019: £697,643) (operating deficit from Social Housing operation), which is 37.24% (2019: 36.25%) of the total expenditure incurred.

The Trustees intend to benefit the residents in future years by increasing the value of the services they receive, achieved through continued monitoring and scrutiny of operational expenses across the Charity.

In April 2018, the Regulator introduced a new Value for Money Standard in order to measure economy, efficiency and effectiveness.

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YEAR ENDED 31 MARCH 2020

Value for money (continued)

Due to the unique nature of the Charity's operations, and the way housing activities are financed, it is not possible to make meaningful comparisons with an appropriate peer group.

The below Value for Money metrics shows how the Great Hospital has performed since the introduction of the standard.

Metrics and Basis

	2020	2019
1. Reinvestment		
The metrics looks at the Investment in properties both new and existing as a percentage of the value of total properties held.		
Reinvestment	3%	2%
2. New Supply delivered		
New Supply Delivered	-	-
3. Gearing		
This metric assesses how much of the assets are made up of debt and the degree of dependence on debt finance.		
Gearing	-5%	-10%
4. Earnings before interest, tax, depreciation, amortisation, major repairs included (EBITDA MRI) Interest Cover		
This is a key indicator for liquidity and investment capacity.		
EBITDA MRI	1,013%	1,323%
5. Headline social housing cost per unit		
This metric assess the headline social housing cost per unit as defined by the Regulator.		
Social Housing cost per unit	£18,092	£16,946
6. Operating Margin		
This metric measures profitability, and is a way of measuring the financial efficiency of a business.		
Operating Margin (A)	-59%	-57%
Operating Margin (B)	-6%	-4%
7. Return on Capital Employed		
This metric measures the efficiency of investment of capital resources.		

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Return on Capital Employed	-5%	2%
	<hr/>	<hr/>
Operating Margin (B)	-6%	-4%
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Future plans

The Trustees' specific objectives for 2020/21 are as follows:

As a paramount objective, to provide a high level of care and support to the residents of the Great Hospital during the coronavirus pandemic and to develop such facilities and services for their welfare and wellbeing as are necessary and desirable to meet their continuing needs in the context of the coronavirus pandemic.

In addition, to the extent that this is possible during the coronavirus pandemic -

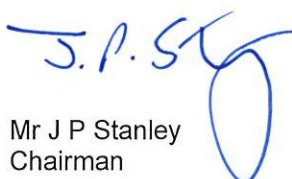
1. To continue to maintain and repair the buildings, invest in greater energy efficiency, and to improve the facilities otherwise, on the Great Hospital site.
2. To the work towards the demolition of the former care unit and in due course the construction of the 19 unit sheltered housing building at Elaine Herbert House and the other building works to the East Wards and to White Cottages, all in accordance with the planning and listed building permissions obtained.

The Trustees confirm that in the financial year 2020/21, due to the coronavirus pandemic, they anticipate there will be little or no activity in connection with the events operation undertaken by the Great Hospital through its subsidiary company, TGH (Commercial) Limited.

Thanks

Once again, the Trustees and the Master would like to express their thanks to the Great Hospital staff for the significant contribution they have made to the continuing success of the Great Hospital during the year.

On behalf of the Trustees


Mr J P Stanley
Chairman

Date: 02 October 2020

Independent auditors' report to the Trustees of the Great Hospital

Opinion

We have audited the financial statements of The Great Hospital (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the Report of the Trustees, Consolidated Statements of Financial Activities, Consolidated and Parent Charity Balances Sheets, Consolidated Cash Flow 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 group's and parent charity's affairs as at 31 March 2020, and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the 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 group's or parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The 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 this regard.

Independent auditors' report to the Trustees of the Great Hospital

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 3, the trustees are responsible for the preparation of financial statements which 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 group's and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 136 of the Housing and Regeneration Act 2008 and report in accordance with regulations made under section 154 of the Charities Act 2011 and section 137 of the Housing and Regeneration Act 2008

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 charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Larking Gowen LLP
Chartered Accountants and Statutory Auditors
NORWICH

02 October 2020

Larking Gowen LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

GREAT HOSPITAL, NORWICH

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted Fund £	Restricted Fund £	Endowment Fund £	2020 Total £	2019 Total £
Income and endowments from:						
<i>Donations and legacies</i>		2,641	-	-	2,641	3,520
<i>Income from charitable activities:</i>						
Net contributions from residents	2	1,282,095	-	-	1,282,095	1,226,934
<i>Other trading activities:</i>						
Functions		77,556	-	-	77,556	97,010
Shop Income		5,655	-	-	5,655	6,639
<i>Investments:</i>						
Property Income	3	-	-	243,037	243,037	237,592
Interest and investment income	9	-	-	484,928	484,928	459,095
<i>Other income</i>	10	5,586	-	-	5,586	5,441
Total income and endowments		1,373,533	-	727,965	2,101,498	2,036,231
Expenditure on:						
<i>Cost of raising funds:</i>						
Investment management costs	4	-	-	116,220	116,220	126,224
<i>Expenditure on charitable activities:</i>						
Services	5	1,097,500	-	-	1,097,500	1,066,596
Management	6	472,802	-	-	472,802	460,539
Maintenance	7	244,912	-	-	244,912	171,131
Depreciation	8	253,012	17,104	-	270,116	264,062
<i>Expenditure on other trading activities:</i>						
Functions expenditure		26,180	-	-	26,180	28,424
<i>Other expenditure</i>		4,514	-	-	4,514	355
Total expenditure		2,098,920	17,104	116,220	2,232,244	2,117,331
Net income / (expenditure) before gains and losses on investments		(725,387)	(17,104)	611,745	(130,746)	(81,100)
Net gains / (losses) on investments 14&15		-	-	(1,519,226)	(1,519,226)	790,243
Net income / (expenditure)		(725,387)	(17,104)	(907,481)	(1,649,972)	709,143
Transfers between funds	22&23	655,792	-	(655,792)	-	-
Net movement in funds		(69,595)	(17,104)	(1,563,273)	(1,649,972)	709,143
Reconciliation of funds:						
Total funds brought forward		9,107,889	530,223	23,830,526	33,468,638	32,759,495
Total funds carried forward		9,038,294	513,119	22,267,253	31,818,666	33,468,638

GREAT HOSPITAL, NORWICH
BALANCE SHEET
AS AT 31 MARCH 2020

	Notes	Consolidated 2020	2019	Parent Charity 2020	2019
		£	£	£	£
Fixed assets					
Housing Association Scheme properties	13a&b	762,453	787,868	762,453	787,868
Equipment	13a&b	80,591	88,502	80,591	88,502
Improvements to Great Hospital buildings	13a&b	7,654,837	7,628,959	7,654,837	7,628,959
Property in the course of construction	13a&b	187,993	169,485	7,343	7,343
Investment properties	14	5,645,286	5,719,786	5,645,286	5,719,786
Investments	15&21	16,314,856	15,885,073	16,314,856	15,885,074
Programme related investment	16	-	-	145,000	145,000
		<u>30,646,016</u>	<u>30,279,673</u>	<u>30,610,366</u>	<u>30,262,532</u>
Current assets					
Stock	17	5,189	4,240	5,189	4,240
Debtors and prepayments	18	931,890	1,690,718	957,415	1,728,173
Debtors falling due after one year		-	740,457	-	740,457
Cash at bank and in hand		391,916	356,064	389,449	322,084
Cash held by investment brokers		153,640	666,444	153,640	666,444
		<u>1,482,635</u>	<u>3,457,923</u>	<u>1,505,693</u>	<u>3,461,398</u>
Less:					
Creditors:					
Amounts falling due within one year	19	(216,262)	(174,475)	(203,670)	(160,809)
Net current assets		<u>1,266,373</u>	<u>3,283,448</u>	<u>1,302,023</u>	<u>3,300,589</u>
Total assets less current liabilities		<u>31,912,389</u>	<u>33,563,121</u>	<u>31,912,389</u>	<u>33,563,121</u>
Less:					
Creditors:					
Amounts falling due after one year	20	(93,723)	(94,483)	(93,723)	(94,483)
Total net assets		<u>31,818,666</u>	<u>33,468,638</u>	<u>31,818,666</u>	<u>33,468,638</u>
Represented by:					
The funds of the charity:					
Endowment fund	22	22,267,253	23,830,526	22,267,253	23,830,526
Restricted fund	23	513,119	530,223	513,119	530,223
Income fund (unrestricted)	23	9,038,294	9,107,889	9,038,294	9,107,889
		<u>31,818,666</u>	<u>33,468,638</u>	<u>31,818,666</u>	<u>33,468,638</u>

The financial statements on pages 11 to 32 were approved by the Board of Trustees on 02 October 2020 and were signed on their behalf by:

Mr J Stanley

Mr J Banham

The notes on pages 14 to 32 form part of these financial statements

GREAT HOSPITAL, NORWICH
CONSOLIDATED CASHFLOW STATEMENT
AS AT 31 MARCH 2020

	2020 £	2019 £	
Net cash outflow from operating activities (see below)	951,528	(589,773)	
Cash Flows from investing activities			
Interest, dividends and rents received	727,965	631,490	
Purchase of fixed assets	(281,176)	(175,015)	
Investment property transactions	-	(500,000)	
Proceeds from sale of investments property	-	3,133,129	
Proceeds from sale of investments	2,472,515	1,274,937	
Purchase of investments	(4,347,023)	(3,650,426)	
Net cash provided by Investing activities	(1,427,719)	714,115	
Cash flows from financing activities			
Repayment of borrowing	(760)	(581)	
Net cash provided by financing activities	(760)	(581)	
Change in cash and cash equivalents in the year	(476,952)	123,761	
Cash and cash equivalents brought forward	1,022,508	898,747	
Cash and cash equivalents carried forward	545,556	1,022,508	
Reconciliation of net income to net cash outflow from operating activities			
	2020 £	2019 £	
Net income / (Loss)	(1,649,972)	709,143	
Interest, dividends and rents received	(727,965)	(696,687)	
Losses on investments	1,519,226	(790,243)	
Depreciation	270,116	264,064	
Decrease / (increase) in debtors	1,499,285	(56,096)	
Decrease / (increase) in stock	(949)	(268)	
Increase / (decrease) in creditors	41,787	(19,686)	
Net cash outflow from operating activities	951,528	(589,773)	
Analysis of changes in cash and cash equivalents:			
	1 Apr 2019 £	Cash flows £	31 Mar 2020 £
Cash at bank and in hand	356,064	35,852	391,916
Cash held by investment brokers	666,444	(512,804)	153,640
Total	1,022,508	(476,952)	545,556

The notes on pages 14 to 32 form part of these financial statements

GREAT HOSPITAL, NORWICH

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2020

1. Accounting Policies

a) Basis of accounting

The accounts are prepared under the historical cost convention, modified to include the revaluation of certain fixed assets. The Housing SORP 2014 requires any almshouse that is not governed by the Landlord and Tenant Act 1985, and operates predominantly for charitable purposes, to adopt the Charities SORP when preparing its financial statements. The Great Hospital is a registered almshouse (membership number 333), and meets the other listed conditions and has therefore prepared the financial statements in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014, the accounting requirements of the Accounting Direction for Private Registered Providers of Social Housing 2019 and with charity law.

The Great Hospital meets the definition of a public benefit entity under FRS 102.

Preparation of the financial statements require management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include: useful economic lives of tangible assets - the annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of assets. The useful economic lives and residual values are reassessed annually. See note 13 for the carrying amount of property, plant and equipment and note 1 (e) and (h) for the useful economic lives for each class of assets; investment property valuations - the treatment of investment property is explained in note 1 (f) and the carrying value can be found in note 14.

The most significant area of uncertainty that affects the future value of the charity's assets is the performance of the property and listed investment market.

b) Consolidation

Under statute group financial statements are required. These consolidate the Charity and its subsidiary TGH (Commercial) Limited.

c) Income and Expenditure

All income is recognised once the group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

d) Fixed assets - Housing Association scheme properties

Properties included under Housing Association scheme properties are stated at cost less depreciation which includes the following:

- i Cost of acquiring land and buildings
- ii Development expenditure
- iii Interest charged on the mortgage loans raised to finance the scheme, including notional interest.

Interest on the mortgage loan financing the development is capitalised up to the relevant date of interim SHG payment, (see note 1j). Interest on the residual mortgage loan after this date is charged to the Statement of Financial Activity.

GREAT HOSPITAL, NORWICH
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2020

e) Fixed assets - Great Hospital buildings

Buildings and improvements to buildings are shown at cost and depreciated over the estimated useful life of the asset, as follows:

Improvements to buildings - 50 years (2% straight line) - other than for additions below:

Housing Association properties - 50 years (2% straight line)

Assets in the course of construction are not depreciated

The Trustees have considered the application of component accounting and have depreciated improvements to building additions on the following basis:

Main fabric - 100 years

Roof - 75 years

Mechanical installations - 50 years

Electrical installations - 30 - 40 years

Windows and Doors - 30 years

Kitchen installation - 15 years

Lift installation - 20 years

Shower installation - 15 years

Fittings and furnishings - 15 years

f) Fixed assets - investment properties

A triennial valuation of investment properties at open market value is provided by Brown & Co - Property and Business Consultants LLP. In the intervening periods, investment property valuations are updated based on professional advice provided to the Trustees by Brown & Co - Property and Business Consultants LLP. The review conducted by the Great Hospital's advisors on behalf of the Trustees for the purpose of the interim valuation does not give rise to a formal valuation.

g) Heritage assets - Historical Bishopgate property

The Great Hospital maintains a collection of historic buildings at Bishopgate, Norwich, including the medieval church and cloisters. These have been acquired since the Charity was founded in 1249, and have no historic cost.

The Trustees feel that owing to the incomparable nature of the buildings, conventional valuation lacks sufficient reliability and that, even if valuations could be obtained, the costs would be onerous compared with the additional benefits derived by the Charity and users of the accounts. As a result, no value is reported for these assets in the Charity's accounts.

The cost of associated major maintenance and refurbishment is reported in the Statement of Financial Activity in the year it is incurred.

Further information is given in Note 13c to the accounts.

h) Fixed assets - Other assets

Other assets are depreciated over a period of 3-10 years on a straight-line basis.

i) Investments - Other investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activity includes the net gains and losses arising on revaluation and disposals throughout the year.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities within particular sectors or sub sectors.

Programme related investments are carried at the amount invested less any impairments.

GREAT HOSPITAL, NORWICH
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2020

j) Social Housing Grants

Social Housing Grants (SHG) are made by the Housing Association and are utilised to reduce the amount of mortgage loan in respect of an approved scheme to the amount which it is estimated can be serviced by the net annual income of the scheme. The amount of SHG is calculated on the qualifying costs of the scheme in accordance with instructions issued from time to time by the Regulator of Social Housing.

Where developments have been financed wholly or partly by SHG, the SHG is recognised in income when the charity has entitlement to it.

SHG are repayable under certain circumstances, primarily following the sale of a property. Provision for repayment is made in the balance sheet when properties, which have SHG funding, are sold.

k) Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Restricted funds are those funds that can only be used for particular restricted purposes. Restrictions arise when specified by the donor or when funds are raised for particular restrictive purposes.

Following an application to the Charity Commission the Great Hospital moved to a total return approach to accounting for investments from 1 April 2013.

l) Pension scheme

The Great Hospital operates defined contribution pension schemes for members of staff of the Charity. The pension costs charged to the Statement of Financial Activity represents the employer's contributions payable under the rules of the schemes.

m) Stock

Stocks are carried at the lower of cost and net realisable value.

n) Going concern

The charity has generated sufficient financial resources from its activities to allow the Trustees to believe that the charity is well placed to manage its operational risks successfully in the current economic climate. Accordingly, the Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

p) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Short term creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due. Other financial liabilities are measured at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

q) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Other receivables are measured initially at fair value, net of transaction costs, and are measured subsequently as amortised cost using the effective interest method, less any impairment. If settlement of debt is deferred, the consideration is discounted at an appropriate interest reflecting the financing transaction involved.

GREAT HOSPITAL, NORWICH
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2020

2. Social Housing Income and Expenditure

	Regulated Social Housing Activities	Unregulated Activities	Total 2020	Total 2019
	£	£	£	£
Accommodation charge	883,009	-	883,009	857,796
Service charges (see below)	399,086	-	399,086	339,138
Contribution from Residents	1,282,095	-	1,282,095	1,226,934
Social housing operating costs	(2,042,968)	-	(2,042,968)	(1,924,557)
Operating deficit	(760,873)	-	(760,873)	(697,643)
Void losses	(38,625)	-	(38,625)	(43,408)
Service Charges				
Gas and Electricity	127,156	-	127,156	105,826
Care service	143,649	-	143,649	136,073
Catering	67,947	-	67,947	68,765
Cleaning	60,334	-	60,334	58,474
	399,086	-	399,086	369,138

3. Property income

Investment properties	-	243,037	243,037	237,592
Expenses				
Agent's commission	-	(6,392)	(6,392)	(11,018)
Professional fees	-	(27,990)	(27,990)	(47,729)
Repairs etc	-	(6,518)	(6,518)	(1,901)
Net income from investment properties	-	202,137	202,137	176,944

GREAT HOSPITAL, NORWICH
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2020

	Regulated Social Housing Activities £	Unregulated Activities £	Total 2020 £	Total 2019 £
4. Cost of raising funds				
Property agent's commission	-	6,392	6,392	11,018
Professional fees	-	27,990	27,990	47,729
Repairs etc	-	6,518	6,518	1,901
Investment managers fees	-	65,223	65,223	54,961
Irrecoverable VAT	-	10,097	10,097	10,615
	-	116,220	116,220	126,224
5. Services				
Staff costs	791,182	-	791,182	792,763
Food	59,216	-	59,216	51,889
Energy	111,772	-	111,772	97,194
Laundry & cleaning	21,908	-	21,908	23,248
Water and council tax	23,984	-	23,984	31,099
Amenities	11,765	-	11,765	12,635
Care consumables	5,061	-	5,061	2,900
Irrecoverable VAT	72,612	-	72,612	54,868
	1,097,500	-	1,097,500	1,066,596
6. Management				
Administration	106,575	17,671	124,246	142,888
Staff costs	281,712	-	281,712	268,896
Insurance	42,311	24,533	66,844	49,055
	430,598	42,204	472,802	460,539
7. Maintenance				
Building maintenance	244,912	-	244,912	171,131
8. Depreciation				
Housing Association scheme properties	25,415	-	25,415	25,415
Equipment	27,441	158	27,599	28,253
Improvements to Great Hospital buildings	217,102	-	217,102	210,394
	269,958	158	270,116	264,062
9. Interest and investment income receivable				
Securities Income	-	484,830	484,830	393,821
Deposit interest receivable	-	98	98	77
Other Finance Income	-	-	-	65,197
	-	484,928	484,928	459,095

GREAT HOSPITAL, NORWICH
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2020

	Regulated Social Housing Activities £	Unregulated Activities £	Total 2020 £	Total 2019 £
10. Other income				
Sundry income	-	5,224	5,224	4,961
Booklet Sales	-	362	362	480
	<hr/>	<hr/>	<hr/>	<hr/>
	-	5,586	5,586	5,441
	<hr/>	<hr/>	<hr/>	<hr/>
11. Taxation				

The Great Hospital is a registered Charity within the meaning of the Taxes Act and is, therefore, eligible to claim certain exemptions to income tax and capital gains tax. As a consequence no charge to taxation arises for the year.

12. Surplus after interest	2020 £	2019 £
The net income before gains and losses is stated after charging / (crediting):		
Interest payable	13,758	13,846
Depreciation	270,116	264,062
Auditors remuneration – audit	13,765	15,125
Auditors remuneration – non audit services	3,764	973

GREAT HOSPITAL, NORWICH
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2020

13a. Fixed Assets - Group

	Housing Assoc. Scheme Properties £	Building Improvements £	Equipment £	Property in the course of construction £	Total £
Cost					
At 1 April 2019	1,270,755	9,215,939	369,096	169,485	11,025,275
Additions		242,980	19,688	18,508	281,176
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2020	1,270,755	9,458,919	388,784	187,993	11,306,451
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 April 2019	482,887	1,586,980	280,594	-	2,350,461
Charge for the year	25,415	217,102	27,599	-	270,116
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2020	508,302	1,804,082	308,193	-	2,620,577
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 March 2020	762,453	7,654,837	80,591	187,993	8,685,874
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2019	787,868	7,628,959	88,502	169,485	8,674,814
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The ancient Great Hospital buildings at Bishopgate, Norwich have not been valued (note 13c) and have an historical cost of £nil, with the cost of improvements to date shown above.

A new construction project which has been contemplated in the previous financial year incurred additional expenditure this year. This project is reflected as an asset in the course of construction.

GREAT HOSPITAL, NORWICH
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2020

13b. Fixed Assets – Parent Charity

	Housing Assoc. Scheme Properties £	Building Improvements £	Equipment £	Property in the course of construction £	Total £
Cost					
At 1 April 2019	1,270,755	9,215,939	369,096	7,343	10,863,133
Additions		242,980	19,688	-	262,668
At 31 March 2020	1,270,755	9,458,919	388,784	7,343	11,125,801
Depreciation					
At 1 April 2019	482,887	1,586,980	280,594	-	2,350,461
Charge for the year	25,415	217,102	27,599	-	270,116
At 31 March 2020	508,302	1,804,082	308,193	-	2,620,577
Net book value					
At 31 March 2020	762,453	7,654,837	80,591	7,343	8,505,224
At 31 March 2019	787,868	7,628,959	88,502	7,343	8,512,672

The ancient Great Hospital buildings at Bishopgate, Norwich have not been valued (note 13c) and have an historical cost of £nil, with the cost of improvements to date shown above.

A new construction project which has been contemplated in the previous financial year incurred additional expenditure this year. This project is reflected as an asset in the course of construction.

GREAT HOSPITAL, NORWICH
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2020

13c. Heritage assets not recognised in the balance sheet

The Great Hospital maintains a collection of historic buildings at Bishopgate, Norwich, including the medieval church and cloisters. These have been acquired since the Charity was founded in 1249, and have no historic cost.

There have been no acquisitions or disposals of heritage assets.

The Charity is committed to maintaining these unique and important buildings, and continues to fund a significant programme of maintenance and refurbishment. The Great Hospital site is increasingly opened up to the public with open days and many other activities organised both internally and through the subsidiary company, TGH (Commercial) Limited.

14. Investment properties - Group and Charity

	2020 £	2019 £
Valuation		
1 April 2019	5,719,786	10,379,874
Disposals	-	(5,306,361)
Additions	-	500,000
Realised gain on disposal	-	(64,227)
Gain / (loss) on revaluation	(74,500)	210,500
	<hr/>	<hr/>
31 March 2020	5,645,286	5,719,786
	<hr/>	<hr/>
Classification of properties		
Residential Estate	498,000	482,500
Commercial holdings	4,512,000	4,602,000
Agricultural holdings	635,286	635,286
	<hr/>	<hr/>
	5,645,286	5,719,786
	<hr/>	<hr/>

A formal valuation of investment properties was carried out at 31 March 2020 by Brown & Co Property and Business Consultants LLP, a firm of independent chartered surveyors, on behalf of the Trustees in accordance with the accounting policy set out in note 1f. A formal valuation of investment properties is carried out every three years.

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2020

15. Investments

	2020 Cost £	2020 Market value £	2019 Cost £	2019 Market value £
Government stock	831,198	872,637	643,911	686,192
Ordinary shares	11,224,184	12,591,806	10,095,780	12,951,018
Fixed interest	2,756,030	2,850,412	2,122,609	2,247,863
	<hr/>	<hr/>	<hr/>	<hr/>
Total	14,811,412	16,314,855	12,862,300	15,885,073
	<hr/>	<hr/>	<hr/>	<hr/>
Un-quoted investments				
Shares in TGH (Commercial) Ltd	1	1	1	1
	<hr/>	<hr/>	<hr/>	<hr/>
Grand total - Charity	14,811,413	16,314,856	12,862,301	15,885,074
	<hr/>	<hr/>	<hr/>	<hr/>

TGH (Commercial) Limited is a 100% subsidiary and a property construction company that has expanded its activities to include the provision of hospitality. TGH (Commercial) Limited has been engaged by the Great Hospital to design and build new accommodation for residents. The results of the subsidiary company to 31 March 2020 are set out in note 29.

	2020 £	2019 £
Movements in quoted investments		
Market value 1 April 2019	15,885,073	12,865,614
Additions	4,347,024	3,650,426
Disposals	(2,472,515)	(1,274,937)
Net investment gains / (losses)	(1,444,726)	643,970
	<hr/>	<hr/>
Market value 31 March 2020	16,314,856	15,885,073
	<hr/>	<hr/>

All investments are included within the accounts at their current market value, in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)

Net investment gains / (losses) comprise realised losses of (£82,695) (2019 gains of £19,030) and unrealised losses of (£1,362,031) (2019 gains of £624,940).

In the six months to 30 September 2020 the return on the charity's investment portfolio was 11.97%.

GREAT HOSPITAL, NORWICH
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2020

16. Programme related investment

	Charity 2020 £	2019 £
Loan to TGH (Commercial) Limited		
Balance at 1 April 2019	145,000	95,000
Additional loan	-	50,000
	<hr/>	<hr/>
Balance as at 31 March 2020	145,000	145,000
	<hr/>	<hr/>

A loan has been made to TGH (Commercial) Limited, the Charity's subsidiary. TGH (Commercial) Limited has been engaged by the Charity to design and build new accommodation for its residents.

17. Stock

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Work in progress	-	-	-	-
Food and beverages	3,660	2,027	3,660	2,027
Booklets	1,529	2,213	1,529	2,213
	<hr/>	<hr/>	<hr/>	<hr/>
	5,189	4,240	5,189	4,240
	<hr/>	<hr/>	<hr/>	<hr/>

18. Debtors

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Prepayments and accrued income	12,164	27,868	17,166	25,934
Other Debtors	915,977	1,644,978	915,977	1,644,978
Other Debtors due more than one year	-	740,457	-	740,457
Residents' contributions receivable	3,749	17,872	3,749	17,872
Donation from TGH (Commercial) Ltd	-	-	20,523	39,389
	<hr/>	<hr/>	<hr/>	<hr/>
	931,890	2,431,175	957,415	2,468,630
	<hr/>	<hr/>	<hr/>	<hr/>

19. Creditors: amounts falling due within one year

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Trade Creditors	100,637	61,616	93,470	56,148
Taxation and social security	24,319	24,984	24,319	24,984
Accruals and deferred income	91,306	87,875	85,881	79,677
	<hr/>	<hr/>	<hr/>	<hr/>
	216,262	174,475	203,670	160,809
	<hr/>	<hr/>	<hr/>	<hr/>

GREAT HOSPITAL, NORWICH

NOTES TO THE ACCOUNTS (CONTINUED) YEAR ENDED 31 MARCH 2020

20. Creditors: amounts falling due after more than one year - Group and Charlty

	2020 £	2019 £	
Housing Association schemes (see below)	93,273	94,483	
	<hr/>	<hr/>	
	93,273	94,483	
	<hr/>	<hr/>	
Housing Association Schemes			
	Prior Court £	Youngs Green £	Total £
Balances at beginning of year	46,954	48,130	95,084
Capital repaid in the year	(376)	(293)	(669)
Less capital due within one year	(390)	(302)	(692)
	<hr/>	<hr/>	<hr/>
Balances at end of year	46,188	47,535	93,723
	<hr/>	<hr/>	<hr/>
Balance included above repayable by instalments in more than five years	43,612	45,602	89,214
	<hr/>	<hr/>	<hr/>
Rate of interest payable	15%	14%	
	<hr/>	<hr/>	

All the schemes have been completed. The loan relating to Prior Court is repayable over 60 years from 1 February 1980. The loan relating to Youngs Green is repayable over 60 years from 1 January 1983. Interest payable on the loans during the year ended 31 March 2020 amounted to £13,758 (2019: £13,846).

GREAT HOSPITAL, NORWICH
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2020

21. Financial Instruments

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Financial assets at fair value through statement of financial activities				
Investments	16,314,855	15,885,073	16,314,856	15,885,074
	<u>16,314,855</u>	<u>15,885,073</u>	<u>16,314,856</u>	<u>15,885,074</u>
Financial assets measured at amortised cost				
Trade debtors	3,935	25,430	3,935	17,872
Other debtors	740,173	2,238,431	740,173	2,238,431
Amounts owed by group undertakings	-	-	20,523	32,889
	<u>744,108</u>	<u>2,263,861</u>	<u>764,631</u>	<u>2,289,192</u>
Financial liabilities measured at amortised cost				
Trade Creditors	24,280	61,616	20,915	56,148
Accruals	70,644	70,619	69,294	69,294
Loans – Amounts due within one year	693	602	693	602
Loans – Amounts due after one year	93,723	94,483	93,723	94,483
	<u>189,340</u>	<u>227,320</u>	<u>184,625</u>	<u>220,527</u>

GREAT HOSPITAL, NORWICH
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2020

22. Movement in Permanent Endowment – Total Return Approach

	Investment Fund £	Unapplied Total Return £	Total Permanent Endowment £
At beginning of the reporting period:			
Gift component of the permanent endowment	5,091,310	-	5,091,310
Unapplied total return	-	18,739,216	18,739,216
	<hr/>	<hr/>	<hr/>
Total	5,091,310	18,739,216	23,830,526
	<hr/>	<hr/>	<hr/>
Movements in the reporting period:			
Investment return: Income, dividends and interest	-	727,964	727,964
Investment return: realised and unrealised gains	-	(1,519,226)	(1,519,226)
Less: Investment management costs	-	(116,219)	(116,219)
	<hr/>	<hr/>	<hr/>
Net unapplied total return	-	(907,482)	(907,481)
Unapplied total return allocated to income in the reporting period	-	(655,792)	(655,792)
	<hr/>	<hr/>	<hr/>
Net movement in the reporting period	-	(1,563,273)	(1,563,273)
	<hr/>	<hr/>	<hr/>
At end of the reporting period:			
Gift component of the permanent endowment	5,091,310	-	5,091,310
Unapplied total return	-	17,175,943	17,175,943
	<hr/>	<hr/>	<hr/>
Total	5,091,310	17,175,943	22,267,253
	<hr/>	<hr/>	<hr/>

The Great Hospital has adopted a total return approach to investments pursuant to an order of the Charity Commission for England and Wales under section 105 of the Charities Act 2011 dated 14 March 2011.

The Great Hospital has benefited from returns on investments since its foundation in 1249. By agreement with the Charity Commission, the initial Investment Fund was set based on total assets held at January 1983 when a Scheme of the Charity Commissioners for the Great Hospital was established. This sum was increased to account for inflation between 1983 and the commencement of the Total Return Approach in April 2013.

GREAT HOSPITAL, NORWICH
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2020

23. Summary of fund movements:

		Total £	Income Fund £	Restricted Fund £	Endowment Fund £
Charity Funds as at 1 April 2019		33,468,638	9,107,889	530,223	23,830,526
Income		2,101,498	1,373,533	-	727,965
Expenditure		(2,232,244)	(2,098,920)	(17,104)	(116,220)
Transfers between funds	2 3	-	655,792		(655,792)
Gains and losses on investments		(1,519,226)			(1,519,226)
Charity Funds as at 31 March 2020		<u>31,818,666</u>	<u>9,038,294</u>	<u>513,119</u>	<u>22,267,253</u>

The restricted fund represents Social Housing grants applied to Housing Association Scheme property developments. The fund is reduced by a proportion of the associated properties annual depreciation charge.

The 2019 fund movements are disclosed in note 31.

24. Staff costs

The average number of employees expressed as a headcount during the year to 31 March 2020 was 57. The corresponding number of employees for the year to 31 March 2019 was 58.

Total staff costs during the year were:

	2020 £	2019 £
Remuneration	920,089	928,587
Social security costs	66,167	70,206
Pension Cost	37,727	38,393
	<u>1,023,983</u>	<u>1,037,186</u>

Emoluments paid to members of the senior management team totalled £299,073 (2019: £308,063).

During the year the highest paid member of the senior management team was the Master whose remuneration, was £69,151 (2019: £70,600).

No other staff member has emoluments exceeding £60,000 in either this or the preceding period.

No redundancy payments were made during the period (2019: £nil).

The Charity operates a group personal pension plan for members of staff. The pension charge represents contribution premiums payable by The Great Hospital to this plan under the rules of the scheme.

GREAT HOSPITAL, NORWICH
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2020

25. Trustees remuneration and expenses

No Trustees received any remuneration (2019: £ nil).

No Trustees were reimbursed for expenses (2019: £nil).

26. Residents contributions for accommodation

The Great Hospital provides almshouse accommodation and does not grant tenancies of dwellings occupied for the purpose of the Charity. At 31 March 2020 there were 98 (2019: 98) units available for residents under the 'Housing for older people' scheme.

27. Summary of net assets by fund

	Total 2020 £	Income Fund 2020 £	Restricted Fund 2020 £	Endowment Fund 2020 £
Investments (at Market Value)	16,314,856	-	-	16,314,856
Cash	545,556	545,556	-	-
Stock	5,189	5,189	-	-
Debtors	931,890	624,779	-	307,111
Creditors	(216,262)	(216,262)	-	-
Free reserves		959,262		
Housing Association loans	(93,723)	(93,723)	-	-
Investment Property	5,645,286	-	-	5,645,286
Property in the course of construction	187,993	187,993	-	-
Housing Association Scheme property	762,453	249,334	513,119	-
Equipment	80,591	80,591	-	-
Building Improvements	7,654,837	7,654,837	-	-
	31,818,666	9,038,294	513,119	22,267,253
Investment Fund				5,091,310
Unapplied Total Return				17,175,943
Total Endowment Fund				22,267,253

GREAT HOSPITAL, NORWICH
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2020

27. Summary of net assets by fund (continued)

	Total 2019 £	Income Fund 2019 £	Restricted Fund 2019 £	Endowment Fund 2019 £
Investments (at Market Value)	15,885,073	-	-	15,885,073
Cash	1,022,508	1,022,508	-	-
Stock	4,240	4,240	-	-
Debtors	2,431,175	205,508	-	2,225,667
Creditors	(173,874)	(173,874)	-	-
Free reserves		1,058,382		
Housing Association loans	(95,084)	(95,084)	-	-
Investment Property	5,719,786	-	-	5,719,786
Property in the course of construction	169,485	169,485	-	-
Housing Association Scheme property	787,868	257,645	530,223	-
Equipment	88,502	88,502	-	-
Building Improvements	7,628,959	7,628,959	-	-
	33,468,638	9,107,889	530,223	23,830,526
Investment Fund				5,091,310
Unapplied Total Return				18,739,216
Total Endowment Fund				23,830,526

28. Contingent liability

The charity has received a claim for compensation concerning an investment property transaction, the claim having nothing to do with the charity's charitable activities. At this stage it is impracticable to estimate the financial effect of the claim and as such this has not been disclosed. The claim will be determined by an Independent Expert and is being challenged in full by the charity through its lawyers. No amounts are recognised in the financial statements in relation to the claim.

GREAT HOSPITAL, NORWICH
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2020

29. Subsidiary company results

The Charity has a wholly owned subsidiary company, TGH (Commercial) Limited.

The subsidiary company is a property construction and hospitality company and has been engaged by the Great Hospital to design and build new accommodation for residents.

The subsidiary is not registered with the social housing regulator. The results of the subsidiary company to 31 March 2020 are set out below.

	2020 £	2019 £
Turnover	75,395	95,153
Cost of sales and administration	(54,872)	(55,764)
Charitable donation	(20,523)	(39,389)
	<hr/>	<hr/>
Net profit	-	-
	<hr/>	<hr/>

The aggregate of assets liabilities and reserves was:

	2020 £	2019 £
Current assets	186,481	204,558
Current liabilities	(186,480)	(204,557)
	<hr/>	<hr/>
	1	1
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At the 31 March 2020 the charity had made a programme related investment of £145,000 (2019: £145,000) in the subsidiary. Details of this are set out in note 17.

30. Related Party Transactions

The Great Hospital charged its subsidiary, TGH (Commercial) Limited, £22,894 for management charges (2019: £27,476).

TGH (Commercial) Limited is committed to pay its taxable profits of £20,523 (2019: £39,389) to the Great Hospital by way of covenanted gift aid. At 31 March 2020 £ nil (2019: £ nil) was due to TGH (Commercial) Limited from the Great Hospital and £8,367 (2019: £11,704) was due to the Great Hospital from TGH (Commercial) Limited.

Organisations connected to the Charity occasionally hire the halls with all transactions being carried out on the same terms as they are offered to the general public.

GREAT HOSPITAL, NORWICH

NOTES TO THE ACCOUNTS (CONTINUED) YEAR ENDED 31 MARCH 2020

31. Statement of Financial Activities 31 March 2019

	Income Fund £	Restricted Fund £	Endowment Fund £	2019 Total £
Income and endowments from:				
<i>Donations and legacies</i>	3,520	-	-	3,520
<i>Income from charitable activities:</i>				
Net contributions from residents	1,226,934	-	-	1,226,934
<i>Other trading activities</i>				
Functions	97,010	-	-	97,010
Shop income	6,639	-	-	6,639
<i>Investments</i>				
Property income	-	-	237,592	237,592
Interest and investment income receivable	-	-	459,095	459,095
<i>Other income</i>	5,441	-	-	5,441
Total income and endowments	1,339,544	-	696,687	2,036,231
Expenditure on:				
<i>Cost of raising funds</i>				
Investment management costs	-	-	126,224	126,224
<i>Expenditure on charitable activities:</i>				
Services	1,066,596	-	-	1,066,596
Management	460,539	-	-	460,539
Maintenance	171,131	-	-	171,131
Depreciation	246,958	17,104	-	264,062
<i>Expenditure on other trading activities:</i>				
Functions expenditure	28,424	-	-	28,424
<i>Other expenditure</i>	355	-	-	355
Total expenditure	1,947,003	17,104	126,224	2,117,331
Net income / (expenditure) before gains and losses on investments	(634,459)	(17,104)	570,463	(81,100)
Net gains / (losses) on investments	-	-	790,243	790,243
Net income / (expenditure)	(634,459)	(17,104)	1,360,706	709,143
Transfers between funds	831,187	-	(831,187)	-
Net movement in funds	196,728	(17,104)	529,519	709,143
Reconciliation of funds				
Total funds brought forward	8,911,161	547,327	23,301,007	32,759,495
Total funds carried forward	9,107,889	530,223	23,830,526	33,468,638