

**HOUBLON-NORMAN FUND
(Incorporating the GEORGE FUND)**

REPORT AND ACCOUNTS

YEAR ENDED 30 JUNE 2020

CHARITY REGISTRATION NUMBER 213168

Houblon-Norman Fund (Incorporating the George Fund)

Table of Contents

Report of the Trustees.....	2-6
Reference and Administrative Details	2
Fund Background	3
Statement of Trustees' Responsibilities in Respect of the Trustees' Report and the Financial Statements.....	8
Independent auditor's report to the Trustees of the Houblon Norman Fund.....	10
Statement of Financial Activities – Year ended 30 June 2020.....	11
Balance Sheet – Year ended 30 June 2020	12
Notes to the Accounts.....	13-19
Investment Income	15
Fellowships Awarded.....	15
Other.....	16
Investments	17
Cash at bank & in hand	18
Debtors	18
Creditors: amounts falling due with one year	18
Reconciliation of Funds	19

Houblon-Norman Fund (Incorporating the George Fund)

Report of the Trustees Reference and Administrative Details

Charity registration number 213168

Address:	c/o The Secretary Houblon-Norman Fund Bank of England Threadneedle Street London EC2R 8AH
Trustees:	Dr Benjamin Broadbent – Chairman Mr Alexander Brazier Ms Anne Glover
Advisory Committee:	Mr Andrew Haldane Professor Andrew Scott – Chairman Professor Silvana Tenreiro
Investment Committee:	Mr Stephen Collins - Chairman Mr Bertrand Cornaire until 13 th December 2019 Ms Afua Kyei until December 2019 Mr Robert Thompson wef December 2019 until 21 st July 2020 Mr Lawrence Dimery wef 11 th March 2020 Mr Paul McArdle wef 22 nd July 2020
Secretary/Treasurer:	Mrs Emma-Jayne Webb
Bankers and Investment Managers:	Bank of England Threadneedle Street London EC2R 8AH
Auditor:	KPMG LLP 15 Canada Square Canary Wharf London E14 5GL
Solicitors:	Freshfields Bruckhaus Deringer 65 Fleet Street London EC4Y 1HS

Houblon-Norman Fund (Incorporating the George Fund)

Report of the Trustees For the year ended 30 June 2020

Structure, Governance and Management

The Houblon-Norman Fund, a registered charity, was established by the Bank of England ("the Bank") in 1944 to mark the 250th anniversary of the Bank's foundation; Sir John Houblon was the first Governor and Montagu Norman was the then outgoing Governor of the Bank.

In 2003, to mark the retirement of the then Governor, Sir Edward George, the Court of the Bank decided to expand the resources available by £500,000 by creating a new George Fund to finance George Fellowships. These Fellowships sit alongside the Houblon-Norman Fellowships. Although the George Fund is separate from the original Houblon-Norman Fund, its purposes and administration are exactly the same as for the original Houblon-Norman Fund.

Houblon-Norman and George Fellowships are awarded in accordance with the Trust Deed dated 27 July 1944 and the Supplemental Deed dated 16 March 2004. These awards are in place "to promote research into and disseminate knowledge and understanding of the working, inter-action and function of financial and business institutions in Great Britain and elsewhere and the economic conditions affecting them".

The Fund is administered by an independent body of Trustees. An Advisory Committee, which is appointed by the Trustees, consists of three people who have the requisite academic standing and knowledge to make recommendations on the award of Fellowships. In every alternate year, the longest-serving member of the Committee retires, but is eligible for re-appointment. The non-Bank members of the Advisory Committee are paid an annual amount determined by the Trustees. In 2017, an Investment Committee was established to advise the Trustees on investment strategy and to oversee implementation of the agreed policy. The non-Bank members of the Investment Committee are paid an annual amount determined by the Trustees.

The Houblon Norman Fund and George Fund each consist of both endowment and non-endowment funds and are managed separately. Any income earned is unrestricted and used for charitable purposes.

Conflict of Interest

Any conflict of interests should be declared, or any circumstances that might be viewed by others as a conflict of interest, as soon as it arises in connection with their role in The Houblon Norman Fund (incorporating the George Fund). These should be submitted to the judgement of the Trustees to act as required regarding the potential conflicts of interest. Any decisions made by the Trustees would be minuted for future reference.

Charitable Objects and Public Benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Houblon-Norman Fund (Incorporating the George Fund)

The objects of the Fund are:

- i. to promote research into and disseminate knowledge and understanding of the working, interaction and function of financial and business institutions in Great Britain and elsewhere and the economic conditions affecting them; and to this end
- ii. to facilitate any relevant studies or research by the award of fellowships, the making of grants in aid of expenses or otherwise and
- iii. to promote the dissemination of knowledge acquired by such studies or research by making grants towards the expenses of publishing their results or otherwise.

These are also the objectives for 2020.

The Trustees invite applicants to engage in research on an economic or financial topic of their own choice, preferably one that could be studied with particular advantage at the Bank of England. Senior Fellowships will be awarded to distinguished research workers who have established a reputation in their field. Fellowships will also be available for younger post-doctoral or equivalent applicants.

During 2018/19 two fellowship were awarded by the Trustees to be undertaken during 2019/20:

- Professor Andrea Ferrero (Senior Fellow) researching “The Interaction of Monetary and Macro-Prudential Policy in Closed and Open Economy”
- Professor Barbara Rossi (Senior George Fellow) researching “I. Analyzing the Empirical Effects of Monetary Policy Shocks” and “II. Density forecasts” – this fellowship was offered subject to the costings and fellowship length being confirmed. At this time these are still to be determined.

During 2019/20 two fellowship were awarded by the Trustees to be undertaken during 2020/21:

- Professor Diego Comin (Senior Houblon Norman Fellow) researching ‘Offshoring and Inflation’
- Dr Xavier Jaravel (George Fellow) researching ‘Household Heterogeneity and Monetary Policy’

The Fellows are expected to involve themselves in some areas of research being carried out in the Bank.

Fellowship applications

21 applications were received for the 2019/20 academic year with two fellowship being awarded.

23 applications were received for the 2020/21 academic year with two fellowships being awarded.

Houblon-Norman Fund (Incorporating the George Fund)

Recruiting and Appointing New Trustees

The Trustees consist of three members. One of the members must be the Governor or a Deputy Governor of the Bank of England (who will hold this position until otherwise resolved by the Court of Directors of the Bank). The remaining two Trustees are appointed on the advice of an expert committee according to the statutory powers of appointing new Trustees.

Newly appointed Trustees receive background information on the fund as part of the induction and training programme.

Trustees will be provided with further training where a training need arises.

Fundraising

The Fund does not engage in any fundraising activities and all income is derived from investments.

Financial Results and Future Activities

The two funds are managed separately as the Houblon Norman Fund and the George Fund (see note 9).

The combined Houblon Norman Fund and George Fund has built to £2,158,121 as at 30 June 2020 (2019: £2,225,517). The permanent protected endowments reflect approximately half of this current total value.

There was an overall combined net loss for the year ended 30 June 2020 of £42,807 (2019: £23,685) in total for General Funds. This was due to a decrease in the value of the investments.

There has been a reduction in the value of the investments, this has led to an overall combined net loss of only £24,589 for Endowment Funds for the year ended 30 June 2020 (2019: £22,256).

In Q1 2020, due to Covid-19, there was a considerable decrease in the market value of investments and therefore lower income from the main (Rathbones) investment funds than anticipated during that time. However easing of Covid-19 lockdowns and early signs of economic recovery saw many markets pick up in Q2, supporting equity markets in particular. This led to a strong performance from July 2020 onwards in the Rathbones funds leading to an increase in the value of the funds at end-year.

Uncertainty still remains and the HNG Investment Committee continue to monitor performance of the investment funds. The policy to maintain a working capital reserve remains in place which means that the HNG fund can continue to cover its costs even in periods of poor performance of investments. Also the trustees are able to adjust planned levels of expenditure knowing the amount of investment income and unrestricted reserves that are available to them.

There could be delays in fellowships taking place as they are unable to travel to the UK &/or access the Bank to work. To note we have mitigated against this risk as one fellowship has been undertaken remotely & another is proposed for April/May this year.

Houblon-Norman Fund (Incorporating the George Fund)

Houblon-Norman Fund

A fellowship for 2020/21 was awarded to **Professor Diego Comin** researching 'Offshoring and Inflation' for £30,000.

There was a deficit of income over expenditure in the year ended 30 June 2020 of £10,129 (2019: £7,382) for the Houblon-Norman element of the General Fund.

In the forthcoming year the Houblon-Norman Fund aims to continue to award Senior Fellowships and Fellowships in accordance with the Trust Deed.

George Fund

A fellowship for 2020/21 was awarded to **Dr Xavier Jaravel** researching 'Household Heterogeneity and Monetary Policy' for £40,000.

There was a deficit of income over expenditure in the year ended 30 June 2020 of £32,678 (2019: £16,303) for the George element of the General Fund.

In the forthcoming year the George Fund aims to continue to award George Fellowships in accordance with the Supplemental Trust Deed.

These awards are for 2020/21 but were communicated to the recipients in June 2020. Therefore, in line with the requirements of SORP (FRS 102), the expenses are recognised in the financial year that they were committed (2019/20) even though the fellows will not actually be paid until the following financial year (2020/21).

Statement on risk

The Trustees have reviewed the risks to which the charity is exposed and believe that adequate systems and procedures have been established to manage those risks. In the opinion of the Trustees, the principal risk to which the Fund is exposed is investment risk. An investment committee was set up in 2016 to provide guidance to the Trustees on future investments. They review the investment strategy of the Fund at least annually in order to balance the objective of achieving good investment returns against the related investment risk.

Reserves policy

The Fund holds £2m in the form of investments. Income generated from these investments is unrestricted and allocated to the Fund's general reserve; these fund the Fellowship payments in each period.

In view of the level of costs of administering the Fund, it is the Trustees' current policy to maintain a working capital reserve to cover ongoing governance and other administrative expenses. As at 30 June 2020 this reported a surplus of £717,768 (2019: surplus £760,574) and sufficient cash in order to meet awards as they fall due.

The fund has a target for free reserves (defined as held in cash) of £10.144, being equivalent to one year of fixed costs for the Charity. At the year end, general, free, unrestricted funds had a net surplus of £185,830.

Houblon-Norman Fund (Incorporating the George Fund)

In the past the Houblon-Norman Fund has been 'topped up' on several occasions through injections of additional funds by the Bank. As the minutes of the 4th March 2010 Trustees meeting highlighted, although The Bank's Court of Directors has made no commitments, the Trustees are content that the Houblon-Norman Fund be operated on the presumptions that injections of capital might be made in the future.

Houblon-Norman Fund (Incorporating the George Fund)

Statement of Trustees' Responsibilities in Respect of the Trustees' Annual Report and the Financial Statements

Under the trust deed of the charity and charity law, the trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. The trustees have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the excess of expenditure over income for that period.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed;
- assess the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

The trustees are required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the financial and other information included on the charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Restrictions on investments

The Trust Deed dated 27 July 1944 states that:

- i. The Trustees shall keep the Fund invested in their names or under their control in investments of a kind for the time being authorised by law for the investment of trust monies (with power to vary the investment thereof) or may at their discretion deposit the Fund or any part thereof with a bank.
- ii. The Trustees shall apply the income of the Fund in the discharge of the costs charges and expenses of or incidental to the execution of the trusts hereof and subject thereto shall

apply the said income at their discretion in furtherance of the objects of the Fund by the award of Fellowships and the making of grants.

- iii. Trustees may place on deposit with a Bank or invest any income not used in any year and may apply the same as income in any subsequent year.

These investment policies were followed throughout the year ended 30 June 2020.

Disclosure of information to auditor

The trustees who held office at the date of approval of this trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the charity's auditor is unaware; and each trustee has taken all the steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The Trustees' Report was approved and signed by the Trustees on 21 January 2021.

Name

Signature

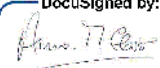
Dr Benjamin Broadbent



Mr Alexander Brazier



Ms Anne Glover

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(In accordance with the Foundation Trust Deed sct. 3.(i) two trustees can exercise all of the powers for the fund)

Houblon-Norman Fund (Incorporating the George Fund)

Independent auditor's report to the Trustees of Houblon-Norman Fund (Incorporating the George Fund)

Opinion

We have audited the financial statements of Houblon-Norman Fund (incorporating the George Fund) ("the charity") for the year ended 30 June 2020 which comprise the Statement of Financial Activities, the Balance Sheet, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 145 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charity in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charity or to cease its operations, and as they have concluded that the charity's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the trustees' conclusions, we considered the inherent risks to the charity's business model and analysed how those risks might affect the charity's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the charity will continue in operation.

Other information

The trustees are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

Matters on which we are required to report by exception

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- the charity has not kept sufficient accounting records; or
- the 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.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 8, the trustees are responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the 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 they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charity's trustees as a body, in accordance with section 145 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Joanne Lees
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

Date: 15 February 2021

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

Houblon-Norman Fund (Incorporating the George Fund)

Statement of Financial Activity Year ended 30 June 2020

	General Unrestricted Funds £	Endowment Funds £	Total Funds 2020 £	General Unrestricted Funds £	Endowment Funds £	Total Funds 2019 £
Income						
Investments (Note 2)	53,198	-	53,198	64,953	-	64,953
	53,198	-	53,198	64,953	-	64,953
Expenditure						
Charitable Activities - Fellowship awards (Note 3)	70,000	-	70,000	40,000	-	40,000
Other (Note 4)	10,144	-	10,144	9,171	-	9,171
	80,144	-	80,144	49,171	-	49,171
Net Gains/(Losses) on investments (Note 5)	(15,861)	(24,589)	(40,450)	7,903	22,256	30,159
Net Gain / Income	(42,807)	(24,589)	(67,396)	23,685	22,256	45,941
Reconciliation of Funds						
Total Funds brought forward	760,575	1,464,942	2,225,517	736,890	1,442,686	2,179,576
Total Funds carried forward (Note 9)	717,768	1,440,353	2,158,121	760,575	1,464,942	2,225,517

Houblon-Norman Fund (Incorporating the George Fund)

Balance Sheet Year ended 30 June 2020

	General Unrestricted Funds £	Endowment Funds £	Total Funds 2020 £	Total Funds 2019 £
Fixed Assets				
Investments (Note 5)	608,422	1,440,353	2,048,775	2,089,225
Total Fixed Assets	<u>608,422</u>	<u>1,440,353</u>	<u>2,048,775</u>	<u>2,089,225</u>
Current Assets				
Cash at bank & in hand (Note 6)	185,830	-	185,830	182,128
Debtors - accrued income (Note 7)	4,669	-	4,669	3,871
Total Current Assets	<u>190,499</u>	<u>-</u>	<u>190,499</u>	<u>185,999</u>
Creditors: amounts falling due within one year (Note 8)	(81,153)	-	(81,153)	(49,707)
Net current assets	<u>109,346</u>	<u>-</u>	<u>109,346</u>	<u>136,292</u>
Net Assets	<u>717,768</u>	<u>1,440,353</u>	<u>2,158,121</u>	<u>2,225,517</u>
Endowment Funds	-	1,440,353	1,440,353	1,464,942
General Funds	717,768	-	717,768	760,575
Total Funds	<u>717,768</u>	<u>1,440,353</u>	<u>2,158,121</u>	<u>2,225,517</u>

These accounts were approved and signed by the Trustees on 21 January 2021

Name

Signature

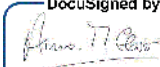
Dr Benjamin Broadbent



Mr Alexander Brazier



Ms Anne Glover

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The notes on pages 14 to 20 form part of these financial statements

Houblon-Norman Fund (Incorporating the George Fund)

Notes to the Accounts

1 Accounting Policies

(a) Basis of preparation

The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons.

The business model of the charity is such that its charitable activities are limited to those which it has sufficient funds to support from the excess of funding received over the costs of administering the charity. The trustees are able to make decisions on the level of awards expenditure knowing the amount of investment income and unrestricted reserves that are available to them. The charity therefore has no specific commitments and no committed costs beyond its fixed costs of operation which are detailed in note 4.

The Trustees have reviewed the cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that the charity will have sufficient funds to meet its liabilities as they fall due for that period. The Trustees have also considered the implications of COVID-19 on these cash flow forecasts and consider that as a result of its operating model explained above, even if no further funding is received in the 12 month period, the charity has sufficient cash reserves to pay all committed costs.

Consequently, the Trustees are confident that the charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

(b) Unrestricted and Permanently Endowed Funds

The charity has various types of fund for which it is responsible, and which require separate disclosure. These are as follows:

Endowment funds

These funds comprise capital sums which are donated under the restrictions that they are invested and that only the income arising is available for expenditure for the general purposes of Houblon Norman Fund and the George Fund.

Unrestricted funds

These funds comprise accumulated surpluses and deficits on general funds that are expendable at the discretion of the Trustees in furtherance of the objects of the charity and that have not been designated for other purposes.

(c) Investments

Investments have been valued at market value at the balance sheet date. Government securities and other fixed income investments are shown at clean market prices: accrued income thereon is shown as a debtor. Any gain or loss on revaluation is taken to the Statement of Financial Activities (SOFA). Cumulative gains on revaluations are not available for the award of fellowships.

(d) Investment income

Income is accounted for on an accruals basis and is not subject to taxation. The income from the Endowment Fund is unrestricted and therefore income is allocated to the General Fund.

Houblon-Norman Fund (Incorporating the George Fund)

Notes to the Accounts

- (e) **Expenditure**
Operating Expenditure (which does not include Fellowship awards) is included on an accruals basis including irrecoverable VAT.
- (f) **Fellowship awards**
In accordance with Charities SORP (FRS 102) 2015, fellowship awards are charged against income in the period in which the funding decision is communicated to the recipient
- (g) **Administrative Costs**
The Fund benefits from the provision of resources and office facilities by the Bank of England at no charge. This has not been quantified for the purposes of these accounts as it is not practical due to the small size and nature.

The Trustees agreed that from March 2004 other administrative costs would be allocated directly to each fund where appropriate (e.g. transaction costs) and apportioned where not. From this date this resulted in costs being apportioned 75% to the Houblon-Norman Fund and 25% to the George Fund to reflect the size of each fund.
- (h) **Cash flow statement**
In accordance with FRS102, there is no requirement to prepare a cash flow statement by virtue of the Fund's size.
- (i) **Related party transactions**
The Trustees confirm that there have been no related party transactions during the year which require disclosure under FRS 102.
- (j) **Tax Policy**
The Houblon-Norman Fund is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.
- (k) **Staff costs**
The Fund does not have any employees and is supported by staff employed by the Bank of England without charge.

Houblon-Norman Fund (Incorporating the George Fund)

Notes to the Accounts (continued)

2 Investment Income

	Houblon Norman Fund £	George Fund £	Total 2020 £	Total 2019 £
Charifund/Charibond/Pooled Fund Dividends	37,476	15,722	53,198	64,953
	<u>37,476</u>	<u>15,722</u>	<u>53,198</u>	<u>64,953</u>

3 Fellowships Awarded

	Houblon Norman Fund £	George Fund £	Total 2020 £	Total 2019 £
Professor Diego Comin	30,000	-	30,000	-
Dr Xavier Jaravel	-	40,000	40,000	-
Professor Andrea Ferrero	-	-	-	40,000
	<u>30,000</u>	<u>40,000</u>	<u>70,000</u>	<u>40,000</u>

Houblon-Norman Fund (Incorporating the George Fund)

Notes to the Accounts (continued)

4 Other

	Houblon Norman Fund £	George Fund £	Total 2020 £	Total 2019 £
Auditors Fee	6,633	2,211	8,844	7,836
Honorarium	975	325	1,300	1,300
Bank charges	-	-	-	35
	<u>7,608</u>	<u>2,536</u>	<u>10,144</u>	<u>9,171</u>

Other resources expended for the year end 30 June 2020 consisted of:

- A honorarium of £650 was paid to Professor Andrew Scott (Chair of Advisory Committee) for services provided to the Fund during the year
- A honorarium of £650 was paid to Stephen Collins (Chair of Investment Committee) for services provided to the Fund during the year

Governance costs expenditure for the year ended 30 June 2020 consisted of:

- The amount charged to the Houblon-Norman Fund in 2019 for audit fees was £6,147 and £2,049 to the George Fund (2019: £5,981 and £1,994).
- No payments were made to Trustees during the year (2019: nil) for remuneration or expenses

Houblon-Norman Fund (Incorporating the George Fund)

Notes to the Accounts (continued)

5 Investments

Houblon-Norman Fund

	General Unrestricted Funds £	Endowment Funds £	Total 2020 £	Total 2019 £
Market Value at 01/07/19	476,579	1,073,718	1,550,297	1,534,783
Purchase of investments	-	-	-	410,767
Selling of investments	-	-	-	(410,767)
Unrealised Gains/(losses)	(12,108)	(4,126)	(16,235)	15,514
			-	
Market Value at 30/06/20	464,471	1,069,592	1,534,062	1,550,297

George Fund

	General Unrestricted Funds £	Endowment Funds £	Total 2020 £	Total 2019 £
Market Value at 01/07/19	147,704	391,224	538,928	524,283
Purchase of investments	-	-	-	146,072
Selling of investments	-	-	-	(146,072)
Unrealised Gains/(losses)	(3,753)	(20,463)	(24,216)	14,645
Market Value at 30/06/20	143,951	370,761	514,712	538,928
Market Value at 30/06/20	608,422	1,440,353	2,048,774	2,089,225

The value of the investments as at 30 June 2020 was as follows:

Houblon Norman Fund

- CCLA Charities Fixed Interest Fund £158,607.41 (Units/Shares held 111,908.14)
- Rathbones Pooled Fund £952,617.75
- Rathbones Fund 2 £422,837.92

George Fund

- CCLA Charities Fixed Interest Fund £66,125.92 (Units/Shares held 46,656.26)
- Rathbones Pooled Fund £317,539.25
- Rathbones Fund 2 £131,048.08

Part of the endowment is invested in a tracker fund that aims to match the total returns of very broad indices for UK Government bonds. In the year to 30 June 2020 the returns for the CCLA funds were broadly in line with the benchmark indices.

Houblon-Norman Fund (Incorporating the George Fund)

Notes to the Accounts (continued)

6 Cash at bank & in hand

	Houblon Norman Fund £	George Fund £	Total 2020 £	Total 2019 £
General Fund	137,548	48,282	185,830	182,128
Endowment Fund	-	-	-	-
	<u>137,548</u>	<u>48,282</u>	<u>185,830</u>	<u>182,128</u>

7 Debtors

	Houblon- Norman Fund £	George Fund £	Total 2020 £	Total 2019 £
Dividends Accrued	1,242	518	1,760	1,760
Debtors Between Funds	-	2,909	2,909	2,111
	<u>-</u>			
	<u>1,242</u>	<u>3,427</u>	<u>4,669</u>	<u>3,871</u>

8 Creditors amounts falling due within one year

	Houblon- Norman Fund £	George Fund £	Total 2020 £	Total 2019 £
Accruals	6,183	2,061	8,244	7,596
Fellowship Awards (note 3)	30,000	40,000	70,000	40,000
Creditors Between Funds	2,909	-	2,909	2,111
	<u>39,092</u>	<u>42,061</u>	<u>81,153</u>	<u>49,707</u>

Houblon-Norman Fund (Incorporating the George Fund)

Notes to the Accounts (continued)

9 Reconciliation of Funds

	Houblon- Norman Fund £	George Fund £	Total 2020 £	Total 2019 £
General Funds				
Net movement in funds	(10,129)	(32,678)	(42,807)	23,685
Total Funds brought forward	574,298	186,277	760,575	736,890
Total Funds carried forward	564,169	153,599	717,768	760,575
Endowment Funds				
Net movement in funds (note 5)	(4,126)	(20,463)	(24,589)	22,256
Total Funds brought forward	1,073,718	391,224	1,464,942	1,442,686
Total Funds carried forward	1,069,592	370,761	1,440,353	1,464,942
	1,633,761	524,360	2,158,121	2,225,517

The Houblon Norman Fund and George Fund are endowment funds and are permanent and restricted. The funds are managed separately from each other. Any income earned is unrestricted and can be used for the general use of the fund.

Houblon-Norman and George Fellowships are awarded, in accordance with the Trust Deed dated 27 July 1944 and the Supplemental Deed dated 16 March 2004. These awards are in place, "to promote research into and disseminate knowledge and understanding of the working, inter-action and function of financial and business institutions in Great Britain and elsewhere and the economic conditions affecting them".