

NORWICH CONSOLIDATED CHARITIES
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021

NORWICH CONSOLIDATED CHARITIES

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2021

Principal office:	1 Woolgate Court St Benedicts Street Norwich, NR2 4AP
Bankers:	Barclays Bank plc 3 St James Court Whitefriars Norwich, NR3 1RJ The Charity Bank Limited Fosse House 182 High Street Tonbridge, TN9 1BE
Auditor:	Lovewell Blake LLP Bankside 300 Peachman Way Broadland Business Park Norwich, NR7 0LB
Solicitors:	Cozens-Hardy LLP Castle Chambers Opie Street Norwich, NR1 3DP Birketts LLP Kingfisher House 1 Gilders Way Norwich, NR3 1UB
Steward:	N Saffell, FRICS FAAV Brown & Co LLP The Atrium St. George's Street Norwich, NR3 1AB
Quoted investment advisers:	Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU

NORWICH CONSOLIDATED CHARITIES

CONTENTS

INDEX	PAGE
Report of the Trustees	1 - 17
Independent Auditor's Report	18 – 21
Principal accounting policies	22 - 25
Statement of financial activities	26
Balance sheet	27
Statement of cash flows	28
Notes to the financial statements	29 - 48

NORWICH CONSOLIDATED CHARITIES

REPORT OF THE TRUSTEES

We, the Trustees of Norwich Consolidated Charities, have pleasure in presenting our Report for the year ended 31 December 2021.

OBJECTIVES AND ACTIVITIES

Our purposes as set out in our governing document

The 'objects' of Norwich Consolidated Charities ('NCC'), as stated in the Charity Commissioners Scheme dated 3 September 2002 are:

- “1. The provision of housing accommodation for beneficiaries, *(defined as persons being in 'financial need' with a preference for those who have been resident in the 'area of benefit' for at least 4 years)*.
2. Such charitable purposes for the benefit of the residents as the trustees decide.
3. The relief of persons resident in the area of benefit who are in:
 - a. financial need, hardship or distress or
 - b. financial need and sick, convalescent, disabled or infirm by relieving their suffering or assisting their recovery.”

The geographical 'area of benefit' is 'the City of Norwich'.

Our main activities during the year

The provision of almshouses

Doughty's

At Doughty's we provided 57 individual flats for older people who are in financial need in order to enable them to live as independently as possible, for as long as they can and wish to, in a safe, pleasant and sociable setting. We have also continued to provide a 24-hour domiciliary care service, dedicated only to Doughty's residents, giving support and care as appropriate and with continuity of personnel.

We continue to subsidise the cost of Doughty's and its services to residents as one of our main objectives. The detail of income and expenditure in relation to Doughty's is shown in note 1 to the financial statements. In summary, in 2021, income was £909,812, (2020: £964,930) and expenditure was £1,221,343, (2020: £1,131,421). 39 staff, most of whom work part-time, were employed during 2021 to work exclusively for the residents of Doughty's.

Bakery Court

The purpose of our second almshouse, Bakery Court, is to provide individual flats for people who are on the often long path to recovery from a serious mental illness. People living here were previously in-patients in mental health settings but have recovered to the extent that they can live independently, given expert support from St. Martin's Housing Trust (note 1 of the financial statements) working in partnership with Together. Whilst we own the Bakery Court premises, we have no direct involvement in the running of the services there.

The provision of other buildings/accommodation

Marion Road Centre

As noted in last year's report, during last financial year we substantively concluded a process to transfer the Marion Road centre to a CIO controlled by AGE UK Norwich, "The Marion Centre". Towards the end of this financial year, that transfer was completed.

Grant-making

Strategy

In the area of grant-making, we have the twin objectives of trying, to the best of our ability and with the finite resources we have, to prevent some of the causes and to alleviate some of the worst effects of poverty. To these ends we make grants both to individuals in need and to organisations which can provide the necessary support to individuals in a more effective and appropriate way than we ourselves could.

We remain exercised by the challenge of using our grant-making to enable our beneficiaries to make positive, long-term changes in their lives. Whilst we remain aware of the importance of providing grants which address immediate needs, improving people's lives in the short term, we also continue to seek ways to re-balance our grant-making in order to put an increased emphasis on long-term 'breaking the cycle' work rather than short-term 'sticking plaster' work.

A practical example of the above in relation to our grants to individuals would be us giving a family in financial need, and perhaps with a number of young children, a grant for a washing machine. This improves their lives considerably in the short term. However, in a few years' time, when the washing machine breaks down, they return to us for a further grant for a replacement machine. We give them this which again improves their lives – but again, only in the short term. What we continue to seek is ways in which we could use our grant-making to enable a family in a situation such as this to make the positive long-term changes in their lives which would mean that they did not need to turn to us (or indeed to anyone else) when the first washing machine breaks down.

Prior to the pandemic we were in the process of planning a new grants round, the aim of which was to be to attract applications from organisations for projects which identified a negative cycle in people's lives, sought to support them to break that cycle and thus enabled them to make positive, long-term changes in their lives. We had allocated an initial £200,000 to this grants round and planned to make either one grant of the full amount or two grants of £100,000 each. Before we got to the point of launching this new grant round however, COVID-19 hit, and we shifted our focus to meeting the greater level of need which had arisen due to the pandemic. We will however move forward again with a 'breaking the cycle' grants round post-pandemic .

Grants to organisations

During this year we have maintained the changes we made to our grant making procedures last year in response to the pandemic. These include:

- Our rolling 'by invitation only' grants programme enabling organisations to apply to us at any time rather than having to wait for set meeting dates.

NORWICH CONSOLIDATED CHARITIES

REPORT OF THE TRUSTEES

- The requirement that all organisational applicants need to have a Zoom conversation with our Chief Executive prior to being invited to make an application.
- An e-mail consideration and decision-making process with, usually, a two-day turnaround for our grants committees.

The aim of maintaining each of the above has been to:

- Avoid applicant organisations wasting time writing applications which were unlikely to succeed by ensuring that they better understand our Objects and our preferred areas of impact.
- On an ongoing basis, increase our knowledge of the changing needs of both our individual and our organisational beneficiaries.
- Significantly reduce the time between an organisation making an application to us and hearing the result of their application – (we were able to reduce this to between one and two weeks).

In addition, all of our Grants Officers, our Finance Director and Woolgate Court Finance Team and our Chief Executive have continued work from home, although since 31 December 2021, and with the easing of pandemic restrictions, we are moving towards a mix of working conditions including more staff being in the office.

Grants made

During the year we made 22 grants amounting to a total of £549,439 (2020: £660,742) to 22 different organisations. The largest grant we made was £100,000 and the smallest £2,600. The average grant size was £24,975.

The work of the organisations and projects which we funded included:

- The provision of interpreting services for people from BAME communities when accessing information and advice services
- Food banks providing both food and additional support services
- The provision of food vouchers
- A mental health, archaeology and creativity project
- Mental health first-aid training
- Cultural activities in Care Homes
- A Sensory performance tent for people with profound and severe learning disabilities
- Drop-in support and opportunities for people affected by Asperger syndrome
- The design and refurbishment of a community cancer support and information centre
- An independence support scheme for people with Learning Disabilities
- Performing Arts and fitness classes for people facing challenges
- Support to those who have experienced the loss of a baby
- Adult hearing support services
- Positive interventions for healthy ageing
- The creation of a safe and supportive space for isolated and vulnerable men
- Gentle exercise classes for vulnerable and isolated people
- A rehabilitation service for people with acquired brain injuries
- Aftercare support for women in recovery
- Early intervention and counselling for children and young people with an eating disorder
- Tenancy-ready support for care-experienced young people

NORWICH CONSOLIDATED CHARITIES

REPORT OF THE TRUSTEES

Grants to individuals

During this year we have maintained the changes which we previously made to our grant making procedures in response to the pandemic, with our Grants Officers working remotely and interviewing applicants and gathering the material we need to assess applications by telephone, email and post.

During the year we have continued to focus primarily on the provision of the following support:

- Direct assistance to individuals who are unable to provide the essential furnishings and appliances for their homes, particularly where young children or disadvantaged adults comprise the household and where state help is not available. This year we have also continued to provide grants to individuals without children – something which we began to do last year in response to increased hardship due to the pandemic.
- Direct assistance to individuals where the appropriate course of action, as advised by a qualified debt relief counsellor, is to deal with their debts by applying for bankruptcy or seeking a Debt Relief Order.

In addition, during the year we gave small grants to two organisations to enable them to give food vouchers to those in need.

Grants made

During the year we made 145 grants to individuals or families in need, totalling £81,273 excluding those to Doughty's residents (per note 4) (2020: £98,910). The average grant made was £560. 35% of applicants referred themselves, whilst 65% were referred by other agencies.

The grants which we made during the year were for the supply of a variety of products – some applications being for multiple items, hence the total of granted items exceeding the total number of grants made. We made 86 grants for flooring, including laying hardboard and underlay; 64 for domestic appliances; 19 for beds and 5 for furniture other than beds.

The investment and distribution of our funds

Whilst this is not an 'activity' in the same sense that the provision of our almshouses or of our grants is, it is nevertheless a vital 'activity', indeed an absolutely essential part of what we do. Our ability to allocate funds now and in the future depends entirely on the effective investment of our endowment.

The value of our Fund for Investment at 31 December 2021 was £35,308,759 (2020: £32,862,132) comprising £14,954,107 (42%) (2020: £13,825,180) in directly-owned property and £18,904,652 (54%) (2020: £17,586,952) in quoted investments and £1,450,000 (2020: £1,450,000) surplus cash. The surplus cash represents a strategic cash holding and some project funds previously set aside when we realised some gains from within our Unapplied Total Return.

In seeking to manage our investment effectively, our two overall objectives continue to be:

- To treat current and future beneficiaries equally, given that the Charity is intended to exist in perpetuity

NORWICH CONSOLIDATED CHARITIES

REPORT OF THE TRUSTEES

- To achieve an optimum balance between risk and total return so as to set a consistent short-to-medium term budget for expenditure on our charitable objects. At present, expenditure is planned as 4% per annum of the value of the fund for investment as at 31 March 2012, uprated by 2% per annum to protect its value in real terms.

We assess the value of our investment policy in terms of the average performance of the Fund for Investment over the period of an economic cycle of 7-10 years. This is against the stated objective of an average overall 6% total return per annum, which when inflation, estimated at 2% per annum, is deducted gives a real rate of 4% on the Fund for Investment.

We delegate the day to day management of our quoted investments to professional advisers (Sarasin & Partners LLP). They discharge this responsibility in line with the objectives above and performance in the year ended 31 December 2021 is considered to have been satisfactory and in line with our objectives.

Fundraising

We do not actively engage in fundraising activities, and instead generate income through our investment assets and we do not engage individuals or entities to fundraise on our behalf. We are however very open to approaches from individuals who recognise the value of our work and wish to leave us legacies or otherwise contribute financially to our work. We are also open to approaches from other grant-making organisations who wish to consider becoming part of Norwich Charitable Trusts whilst retaining their own independent board of trustees and working to their own Scheme/Memorandum and Articles.

Public benefit

We confirm that in providing the above services and in writing this report, we have had regard to the guidance issued by the Charity Commission on public benefit.

Social investment, including programme related investment

During the year we have continued to explore opportunities that social investment may give us to provide a greater amount of benefit to a larger number of organisations by, where appropriate, using some of our properties as dual financial and social investments. We remain aware that it will only be appropriate to have a small number of such projects in their first phase (where we may be subsidising the rent for an agreed period from our grants budget) at any one time.

Review of our future direction

This review is, and will continue to be, an ongoing process. The pandemic has continued to prove to us that we are an organisation that is sufficiently 'light on its feet' to respond appropriately to the changing situation and needs (often outside of their control) of our potential and actual beneficiaries.

In addition to the impact of the pandemic on the lives of our beneficiaries and how we can best align our work to support them, the range of issues which we have discussed and debated during the year and which we hope to have a greater focus on post-pandemic include:

- Our desire to work towards striking an appropriate balance between 'sticking plaster' work and 'breaking the cycle' work.

NORWICH CONSOLIDATED CHARITIES

REPORT OF THE TRUSTEES

- Our desire to attract applications from organisations which are innovative in the way that they seek to enable people to achieve permanent positive change in their lives.
- The balance between our grants to individuals and our grants to organisations.
- The balance between benefitting our current and our future beneficiaries and the consequent release of an appropriate amount of funds from our unrealised total return to enable us to make grants which are additional to our normal grants rounds.
- The potential of longer-term place-based funding to enable negative cycles to be broken and long-term positive change to happen.

QUALITATIVE ACHIEVEMENTS AND PERFORMANCE

The provision of almshouses

Doughty's

During the year we have continued to give our residents the opportunity to live independently whilst at the same time being, as far as they wish to be, part of the Doughty's community. For those who have needed care and support, whether short-term or long-term, whenever possible and appropriate, we have continued to provide this through our 24-hour care and support service. The aim of this service is to enable residents – particularly those on low incomes and with limited savings - to cope with unexpected changes in their personal circumstances without, as far as possible, having to move home or go into a care home. We recognise however that it is sometimes not possible for residents whose health deteriorates significantly to continue living at Doughty's as we are not a nursing home and therefore do not have the expertise or resources to support them appropriately.

During the year we have also maintained our 'Six Steps to Success in End of Life Care' accreditation.

Doughty's response to the pandemic

There remain two elements to the measures implemented at Doughty's in response to the pandemic. Firstly, those to safeguard residents, staff, and visitors from the risk of viral transmission. These include following and promoting the appropriate government guidelines at each stage and additional measures to account for new scientific evidence of risks as it emerges. Secondly those to safeguard the residents and staff's wellbeing due to the effects of such measures and additional pressures over a prolonged period of time. These include promoting the use of IT equipment made available by Doughty's to allow residents to use video conferencing to keep in touch with relatives, organising social activities within the realms of current guidelines, staff support at every stage and keeping the residents well informed of changes as they happen.

CQC

Our last CQC inspection was on 22 November 2018 following which we were awarded 'Good' ratings across all categories.

Value for Money Standards Statement

The format of the following statement follows that outlined by the Regulator of Social Housing in their published Value for Money Standard for Registered Providers.

NORWICH CONSOLIDATED CHARITIES

REPORT OF THE TRUSTEES

Our strategic objectives are to continue to provide appropriate accommodation for older people who are in financial need and who have been living in our area of benefit for at least four years prior to moving to Doughty's - and to do so in such a way as to achieve value for money in relation to the provision of these services. Our Finance Director prepares, and our board considers, an annual value for money report which brings together all the value for money activities and reviews undertaken during the year.

Our definition of 'appropriate accommodation' is accommodation which meets the needs of those our Objects charge us with meeting and that, as far as possible, the accommodation and associated services which we provide are tailored to each of our residents' individual needs.

Our ongoing value for money activities, summarised in our annual value for money review, seek to ensure we secure optimal benefit from our resources and assets.

Our robust approach to achieving value for money includes the following:

- All relevant staff members are involved in the budget setting process each year and an increasing number are responsible for managing their own budgets. This increased understanding and ownership of budgets results in a more cost-conscious approach.
- All purchases require a completed and authorised Purchase Order.
- The Almshouse Manager has access to the finance system so that he can access real time financial information and at any point compare actual income/expenditure to the budget.
- In relation to 'extraordinary' outside-agreed-budget expenditure, relevant research is conducted, costings obtained, and Senior Leadership recommendations are made at our quarterly Almshouse Committee meetings.
- Regular and appropriate consideration by the board of potential value for money gains takes place at finance committee meetings (where quarterly management accounts and annual budgets are presented) and at our quarterly Almshouse Committee meetings.

Across our whole organisation we consider value for money in the following ways:

- Continually reviewing and reassessing our cost base to ensure that only necessary and strategically driven expenditure is incurred/maintained and that costs do not continue simply because they have been incurred historically.
- Our estate is well maintained in order to ensure that any issues are identified and addressed before they become larger, more costly, problems.
- Any capital projects are put out to tender.
- Our investments are professionally managed.

Appropriate targets are in place for measuring performance in achieving value for money in delivering strategic objectives and performance is monitored and reported against these targets.

- Budgets are set and approved annually, and quarterly management accounts enable officers and trustees to check that income and expenditure is on track and to take appropriate action if needed.
- Our finance committee meet regularly throughout the year and receive meaningful, relevant and timely reports.
- Our annual value for money report involves the 'continual review and reassessment of our cost base to ensure that only necessary and strategically drive expenditure is maintained and that costs are not continued simply because they have been incurred historically'.

NORWICH CONSOLIDATED CHARITIES

REPORT OF THE TRUSTEES

Below are the range of metrics which the Regulator of Social Housing requires all registered providers of social housing to report on in their statutory accounts:

	2021	2020
1. Reinvestment % - Investment in housing properties in the year as a percentage of the net book value at year end <i>2020 activity was limited by the coronavirus pandemic restrictions</i>	13%	6%
2A. New Supply Delivered (social housing units)	nil	nil
2B. New Supply Delivered (non-social housing units) <i>Growth is not one of our strategic objectives</i>	nil	nil
3. Gearing % <i>We have no borrowings</i>	N/A	N/A
4. Earnings before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest Cover % <i>We have no borrowings</i>	N/A	N/A
5. Headline social housing cost per unit <i>2020 activity was restricted by the coronavirus pandemic</i>	£21,708	£18,642
6A. Operating Margin % (social housing only)	(34)%	(17)%
6B. Operating Margin % (overall) <i>Doughty's is deliberately subsidised by Norwich Consolidated Charities</i>	(34)%	(17)%
7. Return on capital employed (ROCE) % <i>The investment assets pertaining to Doughty's are not separately identifiable as all of Norwich Consolidated Charities' investments are held together</i>	N/A	N/A

Grant-making to individuals

Earlier in this report we have summarised the number of grants to individuals we have made, the total and average amounts of money involved and the range of items which these grants have bought.

Behind each of these sets of figures are people in need. People who find themselves in circumstances where they cannot afford to provide what the majority of our society would consider to be the very basic necessities for living life here in Norwich in the 21st Century – e.g. a bed, a cooker, some floor covering. Behind each of our grants is an individual/family whose life is, at a minimum, made a little better and at a maximum considerable better than it would otherwise have been.

Whilst we continue to seek out ways to 'break the cycle', we also continue to recognise that providing a grant for a bed (for example) for someone who doesn't have one, makes their experience of life better – right here and now. Earlier in this report we listed the number and type of grants that we have made to individuals during the year.

The impact of the pandemic and the necessary restrictions placed on people's lives as a result have increased the difficulties and challenges faced by those who were previously living in poverty and pushed many more who were previously living relatively comfortably, into poverty. Working within our Objects and our available resources, we continue to seek ways to alleviate such poverty.

NORWICH CONSOLIDATED CHARITIES

REPORT OF THE TRUSTEES

Grant making to organisations

We give grants to organisations whose aims fit well with our objects. Many of the projects we have funded during the year make a long-term difference to people's lives – encouraging and enabling people to become more confident, skilled, self-sufficient, to gain equal access to many aspects of life enjoyed by others in the community. Other projects have focussed on providing some of the basic necessities of life - food, a bed, a cooker.....

Earlier in this report we have listed the number of organisations whose projects we have funded, the total amount of money we have given in grants and the range of work which this has made possible. As with our grant-making to individuals, behind these figures are a great many individuals whose experience of life is significantly better as a result.

During this year, we have continued to trust the knowledge and expertise of our beneficiary organisations to know how best to use the grants that we make to them and therefore encouraged them to be less certain in their applications of the exact detail of their projects. Our aim in doing this has been to enable them to work with their beneficiaries to provide more tailored work and to respond quickly to changing needs and circumstances.

FINANCIAL REVIEW

Principal funding sources

Our principal funding sources are the rental income from our investment properties and dividend income from our quoted investments. Alongside these, we receive weekly maintenance contributions and associated income from our operations at Doughty's.

Review of our financial position at the end of the year

Our financial results for the year ended 31 December 2021 and our financial position as at 31 December 2021 are set out in the Financial Statements section of this report, commencing with the Statement of Financial Activities on page 26. During the year our financial planning, monitoring and control have continued to be of a good standard. The outturn for the year was in line with the management accounts produced regularly throughout the year. The actual performance exceeded budget due to a combination of several factors, the most significant of which being repairs and maintenance expenditure delayed due to the pandemic.

In summary, at 31 December 2021 we remain in a very strong financial position despite the challenges encountered as a result of the pandemic.

Reserves policy

The Charity's policy regarding the level of reserves to be maintained is to reference the funds available under the TRA (Total Return Approach). In effect, our available reserves are represented by the UTR (Unapplied Total Return), i.e. the Fund for Investment less the value of the 'Original Gift'. This is expendable only to the extent that we can warrant that any residual sum is sufficient to protect, on an equal basis, the interests of future beneficiaries compared with current beneficiaries. This would be a matter of judgement based on professional advice at the time any exceptional expenditure from reserves was required. The level of such unapplied funds is shown in Note 17 to the accounts, standing at £24,948,896 as at 31 December 2021 (2020: £22,657,517 as restated).

NORWICH CONSOLIDATED CHARITIES

REPORT OF THE TRUSTEES

Our reserves policy is set having regard to the principal risks and uncertainties facing the Charity e.g. potential changes to the present economic, political and social environments. Such risks highlight the need for our Trustees to consider the appropriate custody and management of assets and the appropriate use of funds. The former risk is addressed by the use of appropriate professional advice and the latter by a rigorous review of all fund applications.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Norwich Consolidated Charities, registered charity number 1094602, a body with significant permanently endowed funds, is governed by a Scheme approved by the Charity Commission on 3 September 2002 which replaced a previous Scheme. In connection with the provision of almshouse accommodation the charity is a provider of regulated social housing.

At present we are an unincorporated Charity. However, during the year we have continued to be committed to becoming incorporated as a Charitable Company Limited by Guarantee, whilst retaining the existing Charity to hold our endowed assets. This process has remained on temporary hold whilst our officers have undertaken the additional work and dealt with the additional challenges needed to respond appropriately to the changing and increasing needs of our beneficiaries during the pandemic.

For a number of years, we have shared a common administration and office with two other endowed Charities, Anguish's Educational Foundation and the Norwich Town Close Estate Charity. The informal 'group name' for the Charities is 'Norwich Charitable Trusts'. In accordance with the Schemes of those Charities we, the Trustees of NCC, also serve as Trustees of Anguish's Educational Foundation and nominate eight of our Trustees to serve as Trustees of the Norwich Town Close Estate Charity. In this situation, while the Charities retain their independence, a common administration promotes greater efficiency and co-ordination and lower costs.

Each Charity has its 'lead' Grants Officer: Norma Dupres carries out this role at present in respect of Norwich Consolidated Charities. We would like to express our thanks to her for the enthusiastic, committed and caring manner in which she continues to carry out this role.

Each of our fourteen Trustees serves a four-year term of office, except where a new Trustee fills a 'casual vacancy' in the first instance; Trustees may serve further terms.

Of our fourteen Trustees, six are nominated by Norwich City Council and a further one by the Norfolk & Norwich University Hospital NHS Foundation Trust, the principal district general hospital of Norfolk. The Trustees they nominate are not accountable to these bodies and cannot be removed before the expiry of their term of office.

A further seven Trustees are co-opted by the plenary body of Trustees at a Special Meeting. For the second time, this year we recruited Trustees through a process of advertising and interviewing – the latter by Zoom due to the pandemic. This process was again successful and continues to form part of our commitment to increase the diversity of our board members in order to better reflect and serve the communities which make up our area of benefit. We remain committed to undertaking all future recruitment of our complement of co-opted Trustees in this way.

The Chair of the Board of trustees oversees the induction and training of new trustees, supported by the Chairs of the sub committees and the key management personnel.

NORWICH CONSOLIDATED CHARITIES

REPORT OF THE TRUSTEES

The plenary body of Trustees meets every three months, with the appropriate officers and advisers, to agree plans, programmes and budgets; agree and review policies; and to monitor progress and review performance.

There is devolution of authority to formal Committees of Trustees and to senior staff, within the terms of the Scheme and agreed policies and budgets.

Membership of the Committees is reviewed annually, and Chairs are elected at their first meeting of the year. The Chair and Vice-Chair of the plenary body are elected for the following year at its last meeting of the preceding calendar year. The appropriate officers, including the Grants Officers, attend all Committee meetings to advise the Trustees and to report on the exercise of their delegated responsibilities.

Connected Charities

As mentioned above, Anguish's Educational Foundation and Norwich Town Close Estate Charity both share the administration with Norwich Consolidated Charities from the office at 1 Woolgate Court. They also receive independently the services of the Steward. Each Charity is a separate, registered Charity, with its own governance and specific objectives. Each charity is also in the process of becoming incorporated as a Charitable Company Limited by Guarantee, therefore three dormant companies exist in preparation for this.

Governance related to the Total Return Approach (TRA)

There are particular duties placed on Trustees as a result of their decision on 12 January 2012 to take the powers conferred by an Order of the Charity Commission dated 24 January 2011 with effect from 1 April 2012.

The key elements of the statutory governance framework for TRA within which Trustees must operate are:

- A specific 'duty of care'
- A duty only to use the power in a way that will enable the Trustees to meet the needs of the present and future beneficiaries of each of the Charities
- A duty to obtain and consider 'proper advice'
- That Trustees will need to establish a rational policy to determine periodically what part of the Unapplied Total Return is allocated from time to time to the trust for application
- That Trustees should take a strategic view (including fluctuations in asset values, investment risk, inflation, changes in the Charities' service provision) of how much of the Unapplied Total Return they take to spend, rather than taking an annual view of returns on the investments
- That Trustees must be able to justify the level of Unapplied Total Return at any time.

These accounts and this Trustees' Annual Report comply with the Directions in the form of Duties set out in the Order in relation to the adoption of the TRA by the Charity.

NORWICH CONSOLIDATED CHARITIES

REPORT OF THE TRUSTEES

In relation to the accounts, these are, as set out in clause 3(7) of the Order:

“The trustees shall, in notes to their accounts for each financial year, give particulars of:

- a. The aggregate value of the assets representing the unapplied total return at the beginning of the financial year;*
- b. Any increase or decrease during the year in the value of the assets representing the unapplied total return;*
- c. The part of the unapplied total return which the trustees have, in the financial year, allocated to the trust for application (income) for the purposes of the charity;*
- d. The aggregate value of the assets representing the unapplied total return at the balance sheet date.”*

All of this information is shown in Note 17 to these accounts.

The advice relating to the feasible and sustainable level of transfer to the Trust for Application for 2021 on the basis of the agreed strategic asset allocation, was received by the Trustees from:

- Sarasin & Partners LLP – quoted investment advisers and managers
- Brown & Co LLP – investment property advisers

Transfer to the Trust for Application (income) for 2021

In accordance with clause 3(6)b of the Order, the Trustees must give *“an explanation of the consideration and policies relevant to the trustees’ determination of the part of the UTR that is allocated to the trust for application”* (the income of the Charity) in 2021.

We received and considered the advice of Sarasin & Partners relating to the agreement of a strategic asset allocation for the investment of the Charity’s funds, including its directly-owned property. Taking account of the risks and returns associated with different asset classes, they agreed an asset allocation which would generate an average annual total return of 6%. They also advised that 2% of this should be retained in the Fund for Investment to maintain its real terms value as the basis for treating future beneficiaries equally. We have reviewed this policy every year since 2013 with our advisers. Prior to 2019 we worked with an expectation of the annual total return and inflation at 7.1% and 3.0% respectively. Consequently, the SOFA shows a transfer in 2021 from the Endowment Fund (note 17) to Unrestricted Funds (note 19) of £1,157,000 (2020: £1,135,000).

The outturn for the year shows an increase in the value of the Fund for Investment of 7.44 % (2020: 1.3%, 2019: 9.7%,) following the transfer to the Trust for Application. This is due to a combination of market conditions across our property and quoted investment portfolios. The long run return exceeds the minimum of 2% needed to maintain the real terms value of the Fund to protect the interests of future beneficiaries. The actual value of the Fund on 31 December 2021 exceeds the notional value by £5.8 million, so the condition is still more than met. The balance remaining unspent in the Trust for Application on 31 December 2020 and carried forward to 2021 was £397,708. An equivalent sum of £303,743 remained on 31 December 2021 which will be carried forward to 2022. A large element of this relates to repairs and maintenance work at Doughty’s which, due to the coronavirus pandemic, was not able to be carried out when planned.

NORWICH CONSOLIDATED CHARITIES

REPORT OF THE TRUSTEES

CHARITY GOVERNANCE CODE

We note the excellent Charity Governance Code and the fact that it was designed as a tool to support continuous improvement. During the year, within the confines of working remotely, we began to work through both this and the Association of Charitable Foundations' Stronger Foundations project reports and self-assessment tool. As we, hopefully, see the end of the pandemic during the coming year, we will continue this process.

REFERENCE AND ADMINISTRATIVE DETAILS

'Norwich Consolidated Charities' is a registered Charity, number 1094602 and a Registered Provider with the Regulator of Social Housing, number A0485.

The Board of Trustees comprises 7 Trustees who are 'Nominated' and 7 who are 'Co-opted'. Those who served in these capacities during 2021 and/or are Trustees at the time of the approval of these financial statements are shown in the table below.

David Fullman was elected Chair and Michael Flynn Vice-Chair of the Trustees for 2021.

The external advisers to the Trustees – auditor, bankers, solicitors, investment advisers and managers and property advisers and managers - are set out at the front of the financial statements. Senior members of their staff attend relevant meetings of the Trustees and provide written and oral advice; they also have free access to the Trustees.

Nominated Trustees

Trustee	Period of office	Nominated by
Sally Button	4 years to 1 December 2024	Norwich City Council
Karen Davis	4 years to 2 September 2021, re-elected for a further 4 year term to 2025	Norwich City Council
John-Paul Garside	From 24 January 2020 to 1 October 2023	Norfolk & Norwich University Hospital Foundation NHS Trust
Adam Giles	4 years to 1 December 2024	Norwich City Council
Laura McCartney-Gray	4 years to 1 December 2024	Norwich City Council
Jeanne Southgate	4 years to 2 September 2021, re-elected for a further 4 year term to 2025	Norwich City Council
Vivien Thomas	4 years to 1 December 2024	Norwich City Council

NORWICH CONSOLIDATED CHARITIES

REPORT OF THE TRUSTEES

Co-opted Trustees

The following Trustees have been co-opted by the body of Trustees at a Special Meeting:

Trustee	Period of office
Philip Blanchflower	4 years to 2 September 2021
Mark Davies	4 years to 4 March 2024
Michael Flynn	4 years to 9 December 2022
Ashley Ford-McAllister	From 8 December 2021
David Fullman	4 years to 2 September 2023
Jacqui Hanlon	4 years to 16 September 2024
Professor Eneida Mioshi	4 years to 16 September 2024
Boyd Taylor	4 years to 5 December 2022

Nick Saffell, FRICS, FAAV, a partner in Brown & Co LLP, is the Steward to the Charity, responsible for the management of the estate, including the endowed properties, and for advising the Trustees on these matters. His services are received through a service level agreement with Brown & Co LLP.

In addition, the Trustees employ three senior officers to advise them and to carry out their approved plans:

David Hynes	Chief Executive
Becky Bird	Director of Finance
Michael Chater	Almshouse Manager

Nick Saffell and David Hynes report directly to the Trustees, although Nick Saffell is not employed by the Charity.

Key Management Personnel Remuneration

The Trustees consider the Chief Executive, the Director of Finance and the Almshouse Manager as comprising the key management personnel of the Charity (the executive team) in charge of directing and controlling the Charity and running and operating the Charity on a day-to-day basis. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses are disclosed in note 6 to the accounts and related party transactions are disclosed in note 23 to the accounts.

Trustees are required to disclose all relevant interests to the Chief Executive and to their colleagues and to withdraw from decisions where a conflict of interest arises.

The Trustees' policy is to take heed of the Consumer Prices Index and the settlement reached by the Local Authorities when considering salary increases for all employees. The Chief Executive's pay is treated on a similar basis.

NORWICH CONSOLIDATED CHARITIES

REPORT OF THE TRUSTEES

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

The Charities Act 2011 requires the Trustees to prepare financial statements for each financial year. The Trustees have to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities' 'Statement of Recommended Practice', (SORP);
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the Trustees is aware:

- there is no relevant audit information of which the Charity's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The financial statements have been prepared to give a "true and fair" view and we have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a "true and fair view". This departure has involved 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 (FRS102) issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Thanks

Thanks are due to Michael Chater and to all the team at Doughty's; to all the members of the grants team; to Becky Bird and all members of the finance and Woolgate Court team; to the Steward and his colleagues and to David Hynes, Chief Executive. Without their dedication and skill, the work of our charities would not be as effective and valued as it is.

Covid-19

Since March 2020, the Covid-19 pandemic has had an unprecedented impact on the environment in which we operate. The effects have been far reaching and as yet are not fully defined. The impacts observed so far include:

- The value of our quoted investments has experienced some volatility over the period. As long-term investors, we focus on the longer term scenario. At 25 March 2022 the value of such investments was £17,807,635.
- The value of investment properties held may fluctuate in the short to medium term, particularly in the retail and hospitality sectors, although it is not possible to accurately determine by how much.
- We anticipate that some of the tenants in our investment properties may experience further difficulties in paying their rent or seek to defer such payments, which may impact on short to medium term cash flows. To date the effect has been moderate and we have been able to support our tenants through this difficult period.
- The needs of our beneficiaries are likely to continue both to change and to be greater than ever before.
- There continues to be a risk that the operation of our almshouses may be subject to disruption by either illness in residents or in our staff.

While it is presently difficult to accurately predict when and how the current pandemic will be fully resolved, the trustees and the executive have been keeping the situation under constant review and developing and refining our response as new information becomes available.

Our watchwords since the start of the pandemic have been 'flexibility' and 'responsiveness'. We have aimed, and continue to aim, to listen to our beneficiaries (both individual and organisational) and, within the bounds of our Objects, to adapt and change both the ways in which we make grants and, where appropriate, the type of support, projects and services which we make grants for. We will continue to do this for the duration of the current crisis, and we will also take those new and positive ways of working which have come from this, forward into our post-pandemic future as an organisation. The key areas of focus and concern have been continuing to provide support and care to our residents at Doughty's and grants to our beneficiaries, whilst maintaining a safe working environment for our staff. We have implemented remote working for staff where possible and followed relevant guidance at Doughty's for the safety of both staff and residents.

Should there be cases of Doughty's staff, residents or both reporting symptoms or showing signs of the Coronavirus, our relevant policies on Coronavirus, Pandemic and Business Continuity Management would be followed. This would enable us to continue to safely maintain service provision and remain operational under these initial conditions. At this point the involvement of the NHS 111 service, Local Authorities and the Local Health Protection Team is an integrated part of our management strategy in accordance with current government advice from the Department of Health & Social Care and Public Health England. Should matters escalate to a critical point and we lose the capability to staff the service to an adequate level, including the use of Doughty's bank staff and local agencies, support would be required from the aforementioned partners. It is understood that they would seek to maintain services at Doughty's in their attempt to prevent an overloaded NHS system.

NORWICH CONSOLIDATED CHARITIES

REPORT OF THE TRUSTEES

Whilst our cash flow will be affected for some time, we have strategic cash held separately and will continue to model our cash flow closely for the foreseeable future. We have undertaken detailed scenario planning, evaluating the impact of both reduced income and additional costs at varying levels. We anticipate being able to continue our day-to-day operations without the need to sell any investments, however we do have this opportunity available to us should the need arise. While the values which may be realised from such investments may not be optimal, they would provide adequate resources to cover ongoing commitments for the foreseeable future (being considered twelve months from the date of this report).

FOR AND ON BEHALF OF THE TRUSTEES

David Fullman
Chair of the Board of Trustees
1 Woolgate Court, St Benedicts Street
Norwich, NR2 4AP
6 April 2022

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORWICH CONSOLIDATED CHARITIES

Opinion

We have audited the financial statements of Norwich Consolidated Charities (the 'charity') for the year ended 31 December 2021, which comprise the Principal Accounting Policies, the Statement of Financial Activities, the Balance Sheet, Statement of Cashflows and notes to the financial statements. 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 charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 responsibilities for the audit of the financial statements section of our report. We are independent of the 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

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

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

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

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires 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
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out on page 15, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the principal laws and regulations applicable to the charity through discussions with management and our wider knowledge and experience;
- we considered the most recent Care Quality Commission report in respect of the charity's almshouses; and
- identified laws and regulations were considered in our planning of the audit and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the principal accounting policies were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing material financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management and trustees as to actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the FRC's website at:

<https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fj/description-of-the-auditor%E2%80%99s-responsibilities-for>. 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. 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.

10 June 2022

Lovewell Blake LLP

Statutory Auditor, Chartered Accountants

Norwich

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

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared 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) effective 1 October 2019, the Charities Act 2011, and The Accounting Direction for Private Registered Providers of Social Housing (2015).

The financial statements have been prepared to give a "true and fair" view and we have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a "true and fair view". This departure has involved 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 (FRS102) issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Norwich Consolidated Charities is a public benefit entity as defined by FRS 102.

GOING CONCERN

The Charity has generated sufficient financial resources from its' activities and holds a significant level of funds. Notwithstanding the difficulties caused by the Covid-19 pandemic and the affect of ongoing price inflation, the Trustees believe that the Charity is well placed to manage its operational and financial risks successfully in the current very unusual circumstances. In reaching this conclusion the executive team and trustees have recognised that the Covid-19 pandemic has significantly changed the economic environment in which we operate (refer to note 24 to the financial statements).

In this context the executive team and trustees have reviewed forecasts for the twelve months from the date of approving these financial statements (considered the foreseeable future) to confirm the resilience of the charity to the impact of the pandemic. In doing so they have taken account of likely impacts that include (but are not limited to) the following:

- The value of our quoted investments has experienced some volatility over the period. As long-term investors, we focus on the longer term scenario. At 25 March 2022 the value of such investments was £17,807,635.
- The value of investment properties held may fluctuate in the short to medium term, particularly in the retail and hospitality sectors, although it is not possible to accurately determine by how much.
- We anticipate that some of the tenants in our investment properties may experience further difficulties in paying their rent or seek to defer such payments, which may impact on short to medium term cash flows. To date such issues have not been material to the charity's financial position.
- The needs of our beneficiaries continue to change and are likely to be greater than ever before.
- There remains a risk that the operation of our almshouses may be subject to disruption by either illness in residents or in our staff.

NORWICH CONSOLIDATED CHARITIES

PRINCIPAL ACCOUNTING POLICIES

Having considered these factors the executive team and trustees have concluded that the charity will continue to have a significant asset base for the foreseeable future which combined with cash balances presently held will help us through this period of uncertainty. We have undertaken detailed cash flow scenario planning, incorporating both reduced income and additional costs. We continue to closely monitor our cash flow and adapt our strategies accordingly.

Accordingly, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

FUND STRUCTURE

Norwich Consolidated Charities has three types of funds, Endowment Funds, which are Permanent Endowment, Restricted Funds and Unrestricted Funds.

Regarding Endowment Funds, the investment power of the Total Return Approach was granted to Norwich Consolidated Charities by a Charity Commission Order on 24 January 2011 and was taken up with effect from 1 April 2012. The power permits the Trustees to invest permanently endowed funds to maximise total return. It also enables the Trustees to decide each year how much of the Unapplied Total Return is transferred to income funds and be available for expenditure.

Restricted Funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed.

Unrestricted Funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted Funds include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose.

Further details of each fund are disclosed in notes 17, 18 and 19.

ALLOCATION OF SUPPORT COSTS AND OVERHEADS

Support costs and overheads have been allocated between charitable activities and governance. Staff costs are allocated on the basis of a best estimate of the time spent by each member of staff and their cost on each activity. Similarly, other costs are allocated on the basis of a best estimate of the purpose of the expenditure. No allocation has been made to cost of generating funds as these activities have been outsourced to professional organisations for which specific charges are received. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

FIXED TANGIBLE ASSETS

Assets included in this category, which are used for direct charitable purposes, are stated at cost which includes the cost of acquisition plus further development and expenditure.

Depreciation is provided on these assets using the following methodology:

Assets	Basis	Key Components	Useful Life
Doughty's buildings	Component Accounting	<ul style="list-style-type: none">• Main Structure• Other	100 years 15 -50 Years
Woolgate Court building	Straight Line over Estimated Useful Life		50 years
Equipment	Straight Line over Estimated Useful Life		5 years
Doughty's minibus	25% per annum Reducing Balance		

NORWICH CONSOLIDATED CHARITIES

PRINCIPAL ACCOUNTING POLICIES

FIXED ASSETS – SOCIAL INVESTMENTS

Trustees have decided to separate the Marion Road Day Centre and Bakery Court (Almshouse) from Tangible Fixed Assets and treat them as Social Investments.

Social Investments are depreciated on a straight line basis over their estimated useful life (being 50 years).

FIXED ASSET INVESTMENTS

Investment properties including ancient endowment properties are professionally revalued every three years. Indicative value changes are provided by the Steward in the intervening periods.

The cost of improvements is generally written off to revenue and is only capitalised if the improvements contribute to an increase in valuation. No depreciation is provided on investment properties or ancient endowment properties.

Investment properties and ancient endowment properties are shown at their fair value as at 31 December 2021.

Disposals are recognised when there is certainty as to the quantum and timing of the sale.

Traded investments are shown at fair value with historical cost separately disclosed. Net gains and losses arising on revaluations and disposals during the year are included in the Statement of Financial Activities.

SOCIAL HOUSING GRANTS

Social housing grants (including Housing Association grants) are made by the Regulator of Social Housing (and their precursor organisations) to reduce the capital cost of almshouses. Prior to 2021, such grants were shown in deferred income and amortised in line with the rate of depreciation applied to such assets. The 2021 Financial Statements include a prior year adjustment (note 15) to release the balance of such grants to reserves in accordance with the Charities SORP 2019.

GOVERNANCE COSTS

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to the statutory audit, any legal fees incurred for Trustee advice and an apportionment of support costs and overheads.

INCOME

All income is included within the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Rental and ancillary income is recorded in the period to which it relates. Maintenance contributions from residents and Housing Related Support income are included on an accruals basis. Investment income is recognised when receivable and bank interest is recognised on an accruals basis.

PENSION SCHEME

The charity contributes to a group personal pension scheme. The pension cost represents the annual contributions payable by the charity under the rules of the scheme.

NORWICH CONSOLIDATED CHARITIES

PRINCIPAL ACCOUNTING POLICIES

GRANTS PAYABLE

Grants are recognised as expenditure in the year in which they are approved by the Trustees. Grants which are unpaid at the year-end are carried forward as creditors.

JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Charity's accounting policies the trustees are required to make judgements, estimates and assumptions. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Fair value of investment properties: Investment properties including ancient endowment properties are recorded at their fair value. Such values require the application of judgement with regard to the nature of such properties taking account of current market conditions, lease terms and factors specific to individual properties. An independent valuer is retained to provide an estimate of fair values for financial statement purposes. Further information is provided in note 10.

Depreciation of Fixed Assets: Tangible fixed assets, against which depreciation has been charged in line with accounting policy; the quantum of the charge and the carrying value of the assets can be found in notes 8 and 9.

Classification of Social Investments: Trustees have separated the Marion Road Day Centre and Bakery Court (Almshouse) from Tangible fixed assets and treat them as Social Investments. The classification of assets is a matter of judgement made by the trustees and further details can be found in note 9.

NORWICH CONSOLIDATED CHARITIES

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2021

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2021	Total 2020 (as restated)
		£	£	£	£	£
Income and endowments from:						
Donations and legacies		613	-	-	613	1,000
Charitable activities						
- Doughty's income	1	909,812	-	-	909,812	964,930
- Bakery Court income	1	47,231	-	-	47,231	46,009
Investments						
- Rental income	2	-	-	647,696	647,696	661,639
- Interest receivable	3	1,066	-	-	1,066	5,652
- Dividends and Rebates	3	97,537	2,094	536,992	636,623	581,609
Other		3,883	-	-	3,883	5,781
Total income		1,060,142	2,094	1,184,688	2,246,924	2,266,620
Expenditure on:						
Raising funds						
- Property expenses	2	-	-	114,357	114,357	174,317
- Investment charges		11,374	244	62,622	74,240	68,334
Charitable activities						
- Grants payable and related costs	4	890,787	-	-	890,787	1,035,177
- Transfer of Marion Road	9	-	-	-	-	321,073
- Almshouses expenditure	1	1,256,970	-	12,187	1,269,157	1,146,393
Governance costs	5	38,827	-	-	38,827	35,845
Total expenditure		2,197,958	244	189,166	2,387,368	2,781,139
Sub total		(1,137,816)	1,850	995,522	(140,444)	(514,519)
- Quoted Investments disposal		-	-	-	-	(205,043)
- Property disposal		-	-	86,896	86,896	68,326
Net income/(expenditure)		(1,137,816)	1,850	1,082,418	(53,548)	(651,236)
Transfers between funds	17-19	1,221,506	(25,341)	(1,196,165)	-	-
Other recognised gains/(losses):						
- Quoted Investments	10(d)	192,912	4,143	1,062,077	1,259,132	1,026,216
- Quoted Investments Equalisations		-	-	-	-	(599)
- Properties	10(b,c)	-	-	1,269,927	1,269,927	(207,043)
Net movement in funds		276,602	(19,348)	2,218,257	2,475,511	167,338
Reconciliation of funds:						
Total funds brought forward as previously reported		4,903,691	507,540	32,074,653	37,485,884	37,314,192
Prior year adjustment	15	-	198,747	161,099	359,846	364,200
Total funds brought forward restated		4,903,691	706,287	32,235,752	37,845,730	37,678,392
Total funds carried forward	14	5,180,293	686,939	34,454,009	40,321,241	37,845,730

There are no other recognised gains or losses in either year.

The accompanying accounting policies and notes form an integral part of these financial statements (including note 26 which shows the comparative Statement of financial activities).

NORWICH CONSOLIDATED CHARITIES

BALANCE SHEET AT 31 DECEMBER 2021

	Note	2021		2020 (as restated)	
		£	£	£	£
Fixed assets					
Tangible assets	8	2,758,311		2,737,935	
Social Investments	9	773,462		1,124,284	
Investments	10	<u>33,858,759</u>		<u>31,412,132</u>	
Total fixed assets			37,390,532		35,274,351
Current assets					
Debtors	11	434,134		616,655	
Cash at bank and in hand		<u>2,811,285</u>		<u>2,716,142</u>	
Total current assets			3,245,419		3,332,797
Liabilities					
Creditors: falling due within one year	12	<u>(314,710)</u>		<u>(736,418)</u>	
Net current assets			2,930,709		2,596,379
Total assets less current liabilities			40,321,241		37,870,730
Creditors: falling due after one year	13		-		(25,000)
Total net assets			<u>40,321,241</u>		<u>37,845,730</u>
Represented by:					
Endowment funds	17		34,454,009		32,235,752
Restricted funds	18		686,939		706,287
Unrestricted funds	19		<u>5,180,293</u>		<u>4,903,691</u>
Total charity funds			<u>40,321,241</u>		<u>37,845,730</u>

These financial statements were approved by the Trustees of Norwich Consolidated Charities and authorised for issue on 6 April 2022 and signed on their behalf by:

David Fullman **Trustee & Chair**

Michael Flynn **Trustee & Vice Chair**

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

NORWICH CONSOLIDATED CHARITIES

STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

Reconciliation of net income to net cash flow

	2021		2020 (as restated)	
	£	£	£	£
Net (expenditure)/income per Statement of Financial Activities		(53,548)		(651,236)
Adjustments for:				
Depreciation charges	112,245		84,663	
Losses/(gains) on disposal of quoted investments	-		205,043	
(Gains)/losses on disposal of investment property	(86,896)		(68,326)	
Dividends, interest and rents from investments	(1,285,385)		(1,248,900)	
Decrease/(increase) in debtors	182,521		327,978	
(Decrease)/increase in creditors	(134,484)		401,240	
		(1,211,999)		(298,302)
Net cash used in operating activities		(1,265,547)		(949,538)
Cash flows from investing activities:				
Dividends, interest and rents from investments	1,285,385		1,248,900	
Purchase of property and equipment	(101,127)		(27,602)	
Proceeds from sale of investments	308,914		5,319,720	
Purchase of investments	(132,482)		(5,049,739)	
Net cash provided by investing activities		1,360,690		1,491,279
Net cash in/(out)flow		95,143		541,741
Change in cash and cash equivalents in the year		95,143		541,741
Cash and cash equivalents at the beginning of the year		2,716,142		2,174,401
Cash and cash equivalents at the end of the year		2,811,285		2,716,142

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

NORWICH CONSOLIDATED CHARITIES

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

1 ALMSHOUSES EXPENDITURE

	2021		2020	
	£		(as restated)	
	£		£	
Doughty's	1,221,343		1,131,421	
Bakery Court	<u>47,814</u>		<u>14,972</u>	
	<u>1,269,157</u>		<u>1,146,393</u>	
	2021		2020	
	£	£	£	£
a) DOUGHTY'S				
Income				
Weekly Maintenance Contributions	562,137		538,065	
Care charges	204,127		258,473	
Supporting People	62,424		64,563	
Infection Control Grant	-		25,719	
Other:				
- Energy charges	53,112		51,864	
- Meals and ancillary charges	<u>28,012</u>		<u>26,246</u>	
		909,812		964,930
Direct Expenditure				
Management and Carers salaries and supplies	537,329		557,249	
Energy cost	62,947		56,845	
Water charges and Council Tax	14,254		11,808	
Insurances	30,537		27,518	
Rent (10 Golden Dog Lane)	6,663		5,800	
Cleaning salaries and supplies	68,003		65,080	
Catering salaries and supplies	24,829		21,683	
In-house maintenance salaries and materials	219,093		158,005	
Steward's maintenance costs	24,670		9,361	
Training salaries and costs	35,326		30,717	
Sundry direct costs:				
- Telephone	1,420		3,878	
- Minibus expenses	2,357		2,951	
- Annual events	2,917		3,646	
- Other expenses	22,762		17,453	
- Depreciation of Property and equipment	76,956		74,485	
Irrecoverable VAT	<u>39,397</u>		<u>30,437</u>	
	<u>1,169,460</u>		<u>1,076,916</u>	
Apportioned Overheads	<u>51,883</u>		<u>54,505</u>	
		<u>1,221,343</u>		<u>1,131,421</u>
Operating (deficit)		<u>(311,531)</u>		<u>(166,491)</u>

Doughty's comprises 58 units (57 residents' flats, 1 guest flat) under management (2020: 58 units (57 residents' flats, 1 guest flat)). Maintenance contributions, rather than rental income, are received from residents. Disclosure of void losses is therefore not deemed to be applicable.

NORWICH CONSOLIDATED CHARITIES

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

b) BAKERY COURT

Norwich Consolidated Charities holds the almshouse Bakery Court as a Social Investment . This is managed by St Martins Housing Trust and gives rise to the following:

	2021		2020	
	£	£	£	£
Income		47,231		46,009
Direct costs	15,718		12,962	
Irrecoverable VAT	2,347		2,010	
Depreciation	29,749		-	
		47,814		14,972
Operating (deficit)/surplus		(583)		31,037

NORWICH CONSOLIDATED CHARITIES

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

2 RENTAL INCOME AND PROPERTY EXPENSES

	2021				2020			
	Agricultural property £	Residential property £	Commercial property £	Total £	Agricultural property £	Residential property £	Commercial property £	Total £
Rents receivable	56,876	125,030	465,790	647,696	56,913	132,812	471,914	661,639
Property expenses								
Repairs and maintenance	2,553	21,036	13,389	36,978	-	29,758	4,705	34,463
Business Rates and Council Tax	-	442	9,414	9,856	-	1,137	-	1,137
Insurances	2,748	2,952	9,133	14,833	3,847	4,788	12,246	20,881
Steward's fees	4,287	12,220	24,032	40,539	4,258	12,193	21,667	38,118
Legal and professional costs	244	273	8,708	9,225	1,030	1,270	9,886	12,186
Bad debt provision	-	-	(6,923)	(6,923)	-	-	59,320	59,320
Irrecoverable VAT	1,859	7,990	-	9,849	856	7,356	-	8,212
	11,691	44,913	57,753	114,357	9,991	56,502	107,824	174,317
Net income	45,185	80,117	408,037	533,339	46,922	76,310	364,090	487,322

NORWICH CONSOLIDATED CHARITIES

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

3 INTEREST RECEIVABLE AND SIMILAR INCOME

	2021	2020
	£	£
Bank and other interest	1,066	5,652
Investment income (Dividends and Rebates) from securities within:		
- Unrestricted funds	97,537	89,108
- Restricted funds	2,094	1,913
- Endowment funds	536,992	490,588
	<u>637,689</u>	<u>587,261</u>

4 GRANTS PAYABLE AND RELATED COSTS

	2021	2020
	£	£
Grants payable		
Welfare grants from unrestricted funds:		
Organisations (note 25)	549,439	660,742
Individuals:		
- Household goods (including Irrecoverable VAT £13,418 (2020: £14,941))	76,023	94,340
- Debt related	5,250	4,570
- Doughty's residents - for support and care	130,035	125,781
	<u>760,747</u>	<u>885,433</u>
Grant-making support costs		
Staff costs and temporary staff	95,258	96,632
General overheads	22,984	24,650
	<u>118,242</u>	<u>121,282</u>
Marion Road Centre Trust		
Maintenance costs	11,798	28,462
	<u>11,798</u>	<u>28,462</u>
Total	<u>890,787</u>	<u>1,035,177</u>

Grants were made to 145 (2020: 151) individuals. Welfare grants are recognised as expenditure in the year in which they are approved by the Trustees.

NORWICH CONSOLIDATED CHARITIES

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

5 GOVERNANCE COSTS

	2021	2020
	£	£
Audit fee	13,370	12,250
Support costs - staff costs and temporary staff - general overheads	15,186	15,404
	<u>10,271</u>	<u>8,191</u>
	<u>38,827</u>	<u>35,845</u>

Non audit fees payable to Lovewell Blake during the year amounted to £2,850 (2020: £nil).

Allocation of support costs and overheads:

	2021			2020	
	Grant making costs £	Charitable activities (Doughty's) £	Governance costs £	Total £	Total £
Staff costs and temporary staff	95,258	27,612	15,186	138,056	140,046
Printing, post and stationery	559	186	186	931	2,052
General office expenses	20,303	21,806	21,236	63,345	62,010
Irrecoverable VAT	2,122	2,279	2,219	6,620	7,524
	<u>118,242</u>	<u>51,883</u>	<u>38,827</u>	<u>208,952</u>	<u>211,632</u>

6 STAFF COSTS

	2021	2020
	£	£
Wages and salaries	970,823	947,136
Social security costs	77,298	72,065
Pension contribution costs (note 21)	71,719	73,840
Payments to Pensioners (note 21)	7,349	7,349
Sub-contract staff costs	18,019	22,178
	<u>1,145,208</u>	<u>1,122,568</u>

Included in the above figures is the cost of officers and senior executives and all staff at Woolgate Court. Two thirds of this element of cost is cross charged by Norwich Consolidated Charities to Anguish's Educational Foundation and Norwich Town Close Estate Charity equally (note 23).

Included in the above figures is an amount of £3,561 being holiday earned by staff but not taken to 31 December 2021 (2020: £10,568).

NORWICH CONSOLIDATED CHARITIES

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

6 STAFF COSTS (CONTINUED)

The total gross employment benefits of the key management personnel (before recharges to Anguish's Educational Foundation and Norwich Town Close Estate Charity) were:

	2021	2020
	£	£
Wages and salaries	198,090	190,474
Social security costs	23,680	22,608
Pension contribution costs	18,412	18,098
	<u>240,182</u>	<u>231,180</u>

The Charity considers its key management personnel to be the Chief Executive Officer, the Director of Finance and the Almshouse Manager.

The following numbers of employees had remuneration falling within the bands below, before recharges to related charities.

	Number of employees	
	2021	2020
£60,001 - £70,000	1	1
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-

The Trustees did not receive any remuneration during either year, but were reimbursed expenses of £nil during 2021 (2020: £20).

The average number of employees, excluding sub-contract staff, was:

	Number of employees	
	2021	2020
Officers and senior executives	2	2
Full time – Woolgate Court	3	3
Part time – Woolgate Court	6	6
Full time - Doughty's	6	5
Part time - Doughty's	33	34
	<u>50</u>	<u>50</u>

Contracted hours vary within the number of part time employees. The lowest of these is 9 hours per week.

7 TAXATION

Norwich Consolidated Charities is a registered charity within the meaning of the Taxes Acts and is, therefore, eligible to claim certain exemptions from income tax and capital gains tax. As a consequence, no charge to these taxes arises. The Charity is subject to Value Added Tax under the partial exemption rules. Certain properties have been elected to be subject to VAT.

NORWICH CONSOLIDATED CHARITIES

NOTES TO THE REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2021

8 TANGIBLE FIXED ASSETS

	Doughty's Almshouses									Long Leasehold Property: Woolgate Court	Total
	Elizabeth Bentley Court	Cooke's Court	Calvert Court	Grace Jarrold Court	Doughty's Cottages	Mottram House	Hesketh Court	Equipment	Doughty's Minibus		
	£	£	£	£	£	£	£	£	£	£	£
Cost											
At 1 January 2021	1,434,694	836,580	37,359	134,287	57,279	216,427	145,523	45,032	40,315	223,974	3,171,470
Additions	-	-	-	-	6,178	-	86,853	9,841	-	-	102,872
At 31 December 2021	1,434,694	836,580	37,359	134,287	63,457	216,427	232,376	54,873	40,315	223,974	3,274,342
Depreciation											
At 1 January 2021	171,617	100,065	4,450	15,985	6,716	13,472	17,192	14,010	36,280	53,748	433,535
Charge for the year	34,323	20,013	890	3,197	2,027	5,153	4,646	6,760	1,008	4,479	82,496
At 31 December 2021	205,940	120,078	5,340	19,182	8,743	18,625	21,838	20,770	37,288	58,227	516,031
Net book value at 31 December 2021	1,228,754	716,502	32,019	115,105	54,714	197,802	210,538	34,103	3,027	165,747	2,758,311
Net book value at 31 December 2020	1,263,077	736,515	32,909	118,302	50,563	202,955	128,331	31,022	4,035	170,226	2,737,935

The properties that comprise Doughty's Almshouse, having been gifted to the Charity, are incorporated in the Financial Statements at their historical cost of £Nil (2020: £Nil). The above cost of these properties represents expenditure subsequent to the original gift and these have been depreciated in accordance with the Principal Accounting Policies.

NORWICH CONSOLIDATED CHARITIES

NOTES TO THE REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2021

9 TANGIBLE FIXED ASSETS - SOCIAL INVESTMENTS

Freehold Property	Marion Road £	Bakery Court £	Total £
Cost			
At 1 January 2021	321,073	803,211	1,124,284
Disposals	(321,073)	-	(321,073)
At 31 December 2021	-	803,211	803,211
Depreciation			
At 1 January 2021	-	-	-
Charge for the year	-	29,749	29,749
At 31 December 2021	-	29,749	29,749
Net book value at 31 December 2021	-	773,462	773,462
Net book value at 31 December 2020	321,073	803,211	1,124,284

As noted in last year's report, during last financial year we substantively concluded a process to transfer the Marion Road Centre to a CIO controlled by AGE UK Norwich, "The Marion Centre". Towards the end of this financial year, that transfer was completed.

Effective from 1 January 2021, the trustees have taken the decision to depreciate Bakery Court on a straight line basis, over its remaining useful economic life, estimated at being 27 years (from the original economic life of 50 years).

10 FIXED ASSET INVESTMENTS

(a) Summary

	2021 £	2020 £
Investment properties in UK at open market value (note 10b)	7,625,000	7,105,000
Ancient endowment properties in UK at open market value (note 10c)	7,329,107	6,720,180
Quoted Investments (note 10d)	18,904,652	17,586,952
	33,858,759	31,412,132

NORWICH CONSOLIDATED CHARITIES

NOTES TO THE REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2021

10 FIXED ASSET INVESTMENTS (CONTINUED)

(b) Investment properties within UK

	2021	2020
	£	£
At 1 January 2021	7,105,000	7,515,000
Revaluation	<u>520,000</u>	<u>(410,000)</u>
At 31 December 2021	<u>7,625,000</u>	<u>7,105,000</u>

The investment properties have a historical cost of £5,514,906 (2020: £5,514,906).

Investment properties and ancient endowment properties are professionally revalued every three years. The basis of the valuations is fair value and the last full valuation was carried out by Nick Saffell, Fellow of the Royal Institution of Chartered Surveyors and a Partner of Brown & Co LLP, Norwich, on 31 December 2020. A desk top update is carried out each year between the triennial valuations.

(c) Ancient endowment properties within UK

	2021	2020
	£	£
At 1 January 2021	6,720,180	6,751,223
Disposals	<u>(141,000)</u>	<u>(234,000)</u>
Revaluation	<u>749,927</u>	<u>202,957</u>
At 31 December 2021	<u>7,329,107</u>	<u>6,720,180</u>

The ancient endowment properties, originally having been gifted to the charity, have a historical cost of £383,999 (2020: £383,999).

Note 10(b) provides commentary on the basis of valuation at 31 December 2021.

(d) Quoted Investments

	2021	2020
	£	£
Market value at 1 January 2021	17,586,952	16,722,761
Realised gains/(losses) reinvested/(withdrawn)	-	(205,043)
Unrealised revaluation (losses)/gains	1,259,132	1,026,216
Management fees and other costs, including equalisations	<u>(73,914)</u>	<u>(72,229)</u>
Additions	<u>132,482</u>	<u>115,247</u>
Market value at 31 December 2021	<u>18,904,652</u>	<u>17,586,952</u>

NORWICH CONSOLIDATED CHARITIES

NOTES TO THE REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2021

(d) Quoted Investments (continued)

	Market value	Cost
	£	£
Consolidated Endowment Fund		
12,475,022 Sarasin Endowments Fund Class A INC	15,946,073	11,323,346
2 Cash	<u>2</u>	<u>2</u>
	15,946,075	11,323,348
General Surplus		
2,265,914 Sarasin Endowments Fund Class A INC	2,896,381	2,056,728
Norwich Sick Poor Society		
48,658 Sarasin Endowments Fund Class A INC	<u>62,196</u>	<u>44,166</u>
At 31 December 2021	<u>18,904,652</u>	<u>13,424,242</u>
At 31 December 2020	<u>17,586,952</u>	<u>13,365,675</u>

11 DEBTORS

	2021	2020
	£	£
Rents receivable	230,993	248,900
Sundry debtors	177,301	343,890
Prepayments	<u>25,840</u>	<u>23,865</u>
	<u>434,134</u>	<u>616,655</u>

Included within Sundry debtors is £nil (2020: £10,950) falling due outside one year. This is in respect of a concessionary loan on which no interest is charged, in pursuit of our charitable objects.

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	(as restated) £
Creditors	71,578	481,681
Pension contributions	2,093	2,322
Other taxes and social security	50,937	51,209
Accruals	73,176	98,826
Deferred income - Rents received in advance	<u>116,926</u>	<u>102,380</u>
	<u>314,710</u>	<u>736,418</u>
	£	£
Deferred rental income at the beginning of the year	102,380	63,755
Income released in the year	(102,380)	(63,755)
Income deferred in the year	<u>116,926</u>	<u>102,380</u>
Deferred rental income at the end of the year	<u>116,926</u>	<u>102,380</u>

NORWICH CONSOLIDATED CHARITIES

NOTES TO THE REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2021

13 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2021	2020 (as restated)
Creditors falling due: between 1-2 years	£ -	£ 25,000

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 December 2021 are represented by:

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Tangible fixed assets	2,319,548	-	438,763	2,758,311
Social Investments	100,917	580,195	92,350	773,462
Investment Property	-	-	14,954,107	14,954,107
Quoted Investments	2,896,381	62,196	15,946,075	18,904,652
	5,316,846	642,391	31,431,295	37,390,532
Net current assets less creditors over one year	(136,553)	44,548	3,022,714	2,930,709
Total Net assets	5,180,293	686,939	34,454,009	40,321,241

Fund balances at 31 December 2020, as restated, were represented by:

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Tangible fixed assets	2,226,050	-	511,885	2,737,935
Social Investments	105,325	926,609	92,350	1,124,284
Investment Property	-	-	13,825,180	13,825,180
Quoted Investments	2,694,497	57,861	14,834,594	17,586,952
	5,025,872	984,470	29,264,009	35,274,351
Net current assets less creditors over one year	(122,181)	(278,183)	2,971,743	2,571,379
Total Net assets	4,903,691	706,287	32,235,752	37,845,730

NORWICH CONSOLIDATED CHARITIES

NOTES TO THE REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2021

15 PRIOR YEAR ADJUSTMENT

During the course of reviewing the presentation of fixed assets, Housing Association Grants received some years ago (in relation to Mottram House, Hesketh Court, Cooke's Court and Bakery Court) were also considered. It has been determined that it is more appropriate to recognise such grants as income in accordance with SORP 2019. Consequently the accounts for the year ended 31 December 2020 have been restated as set out below:

	As previously reported £	Prior year adjustment £	Restated £
Statement of Financial Activities:			
Almshouses expenditure	1,142,039	4,354	1,146,393
Balance Sheet:			
Creditors: Amounts falling due within one year	(740,772)	4,354	(736,418)
Creditors: Amounts falling due after one year	(380,492)	355,492	(25,000)
Net assets	37,485,884	359,846	37,845,730
Unrestricted funds	4,903,661	-	4,903,661
Restricted funds	507,540	198,747	706,287
Endowment funds	32,074,653	161,099	32,235,752
	37,485,884	359,846	37,845,730

16 FINANCIAL COMMITMENTS

Annual commitments under non-cancellable operating leases for equipment are as follows:

	2021 £	2020 £
Payable during the year	<u>490</u>	<u>-</u>
Future minimum lease payments due, expiring: Later than 1 year and not later than 5 years	<u>840</u>	<u>-</u>

NORWICH CONSOLIDATED CHARITIES

NOTES TO THE REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2021

17 ENDOWMENT FUNDS

	(as restated) Consolidated Endowment Fund £	Investment Property Revaluation Reserve £	Quoted Investment Revaluation Reserve £	Bakery Court Fund £	Total £
Balance at 1 January 2021 as previously reported	20,780,083	7,641,574	3,560,646	92,350	32,074,653
Prior year adjustment	161,099	-	-	-	161,099
Balance at 1 January 2021, as restated	<u>20,941,182</u>	<u>7,641,574</u>	<u>3,560,646</u>	<u>92,350</u>	<u>32,235,752</u>
Net income/(expenditure) before gains/(losses) on investments	995,522	-	-	-	995,522
Net gains/(losses) on Investment Property disposals	227,896	(141,000)	-	-	86,896
Transfers between funds - Allocation to the Trust for Application	(1,157,000)	-	-	-	(1,157,000)
Transfers between funds - Depreciation on Endowment assets	(60,935)	-	-	-	(60,935)
Transfers between funds – HAGS released on Endowment assets	21,770	-	-	-	21,770
Gains/(losses) on revaluation of Quoted Investments	-	-	1,062,077	-	1,062,077
Gains/(losses) on revaluation of Investment Property	-	1,269,927	-	-	1,269,927
Balance at 31 December 2021	<u>20,968,435</u>	<u>8,770,501</u>	<u>4,622,723</u>	<u>92,350</u>	<u>34,454,009</u>

The Consolidated Endowment Fund (which includes the Unapplied Total Return Fund) combined with the revaluation reserves represents tangible fixed assets and investment assets.

The revaluation reserves individually represent the accumulated increase in market value of the assets over their original cost.

The Bakery Court Fund represents the cost of land utilised to build almshouses for Norwich people suffering from mental ill health.

NORWICH CONSOLIDATED CHARITIES

NOTES TO THE REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2021

17 ENDOWMENT FUNDS (CONTINUED)

THE UNAPPLIED TOTAL RETURN AND FUND TRANSFERS

The investment power of Total Return was granted to Norwich Consolidated Charities by a Charity Commission Order on 24 January 2011 and was taken up with effect from 1 April 2012. The power permits the Trustees to invest permanently endowed funds to maximise total return. It also enables the Trustees to decide in each year how much of the Unapplied Total Return is transferred to income funds and be available for expenditure. This table records the movements within the Unapplied Total Return during the financial year.

	2021	
	£	£
Value of the Total Endowment Funds at 1 January 2021	32,074,653	
Prior year adjustment	161,099	
Value of the Total Endowment Funds at 1 January 2021, as restated	<u>32,235,752</u>	
Less Tangible Fixed Assets and Social Investments at 1 January 2021	(604,235)	
Less value of the Original Gift	<u>(8,974,000)</u>	
Opening value of the Unapplied Total Return		22,657,517
Add:		
Investment income from Rentals	647,696	
Investment income from Dividends and Rebates	536,992	
Realised gain on disposal of Investment Properties	86,896	
Unrealised gain on revaluation of Investment Properties	1,269,927	
Unrealised gain on revaluation of Quoted Investments	1,062,077	
Reserve transfer re HAG release on Endowment fixed assets	<u>21,770</u>	
		3,625,358
Less:		
Property expenses	(114,357)	
Investment charges	<u>(62,622)</u>	
		(176,979)
Less allocation to the Trust for Application		<u>(1,157,000)</u>
Closing value of the Unapplied Total Return		24,948,896
Add Tangible Fixed Assets and Social Investments at 31 December 2021		531,113
Add value of the Original Gift		<u>8,974,000</u>
Value of the Total Endowment Funds at 31 December 2021		<u>34,454,009</u>

NORWICH CONSOLIDATED CHARITIES

NOTES TO THE REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2021

18 RESTRICTED FUNDS

	Norwich Sick Poor Society Fund £	Quoted Investments Revaluation Reserve £	(as restated) Bakery Court Fund £	Total £
Income				
Balance at 1 January 2021	41,447	-	-	41,447
Net investment income (Dividends and Rebates less Investment charges)	1,850	-	-	1,850
Balance at 31 December 2021	43,297	-	-	43,297
Capital				
Balance at 1 January 2021 as previously reported	45,416	13,888	406,789	466,093
Prior year adjustment	-	-	198,747	198,747
Balance at 1 January 2021, as restated	45,416	13,888	605,536	664,840
Gains/(losses) on revaluation of Quoted Investments	-	4,143	-	4,143
Transfer between funds – Depreciation on Bakery Court	-	-	(25,341)	(25,341)
Balance at 31 December 2021	45,416	18,031	580,195	643,642
Total restricted funds 31 December 2021	88,713	18,031	580,195	686,939
Total restricted funds 31 December 2020 (as restated)	86,863	13,888	605,536	706,287

The Norwich Sick Poor Society Fund is applied in making payments for the benefit of deserving needy persons, whether children or adults, resident in the City of Norwich.

The Quoted Investments Revaluation Reserve represents the accumulated increase in market value of the assets over their original cost.

The Bakery Court Fund represents the net cost of building almshouses for Norwich people suffering from mental ill health which have been built on endowment land.

NORWICH CONSOLIDATED CHARITIES

NOTES TO THE REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2021

19 UNRESTRICTED FUNDS

	General Surplus £	Quoted Investments Revaluation Reserve £	Designated Reserves			Total £
			Project Fund £	Cooke's Court Refurbishment Fund £	Woolgate Court £	
Balance at 1 January 2021	2,706,940	646,743	750,000	629,782	170,226	4,903,691
Net income/(expenditure) before gains/(losses) on investments	(1,137,816)	-	-	-	-	(1,137,816)
Transfers between funds - Allocation from the Unapplied Total Return	1,157,000	-	-	-	-	1,157,000
Transfers between funds –depreciation on Endowment assets	48,230	-	-	12,705	-	60,935
Transfers between funds – HAGS released on Endowment assets	(21,770)	-	-	-	-	(21,770)
Transfers between funds – Bakery Court depreciation	25,341	-	-	-	-	25,341
Gains/(losses) on revaluation of Quoted Investments	-	192,912	-	-	-	192,912
Transfer to designated fund – Woolgate Court depreciation	4,479	-	-	-	(4,479)	-
Transfer to designated fund – Cooke's Court depreciation	17,472	-	-	(17,472)	-	-
Balance at 31 December 2021	2,799,876	839,655	750,000	625,015	165,747	5,180,293

The Quoted Investments Revaluation Reserve represents the accumulated increase in market value of the assets over their original cost.

Designated Reserves

The Project Fund represents funds set aside by the Trustees to enable us to fund strategic and/or long term projects.

The Cooke's Court Refurbishment Fund represents the cost of building works carried out on this property during 2008 and 2009.

The Woolgate Court Fund represents the Charity's 1/3rd share of the net book value of the office premises at Woolgate Court.

NORWICH CONSOLIDATED CHARITIES

NOTES TO THE REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2021

20 ANALYSIS OF CHANGES IN NET DEBT

	At the start of the year	Cash Flows	At the end of the year
	£	£	£
Cash at bank and in hand	<u>2,716,142</u>	95,143	<u>2,811,285</u>

21 PENSION COMMITMENTS

The charity contributes to a group personal pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The pension charge represents contributions payable by the charity (before cross charges) to the fund and amounted to £71,719 in the year (2020: £73,840). At the year-end there were unpaid employer's and employee's pension contributions of £2,093 (2020: £2,322).

The charity also operates staff pension funds for one former employee and one widow of a former employee who are both now of pensionable age. Amount paid in the year £7,349 (2020: £7,349) Payments are made to the pensioners at the discretion of the Trustees.

22 CONTINGENT ASSET

Following an earlier sale of land, the charity is entitled to overage payments should the purchaser fulfil certain requirements. At the current time, the amount of any such payment is not able to be accurately quantified.

23 CONNECTED CHARITIES AND OTHER RELATED PARTIES

(a) Connected Charities

The Charity is connected to Marion Road Centre Trust, Anguish's Educational Foundation and Norwich Town Close Estate Charity as defined by the Statement of Recommended Practice; "Accounting by Charities" and is a related party as defined by Financial Reporting Standard 102 due to the common membership of the Board of Trustees as described in the Trustees' Report on page 10. Marion Road Centre Trust has passed the running of its Day Centre to AGE UK Norwich, and during 2021 concluded the transfer the Marion Road Centre to a CIO controlled by AGE UK Norwich, "The Marion Centre".

Norwich Consolidated Charities, Anguish's Educational Foundation and Norwich Town Close Estate Charity share equally the cost of the administration function based at Woolgate Court. The principal address is the same for all connected Charities. All three charities are in the process of becoming incorporated as Charitable Companies limited by guarantee.

During the year Norwich Consolidated Charities charged Anguish's Educational Foundation for office salaries costs totaling £128,857 (2020: £128,628) and office expenses totaling £13,181 (2020: £12,285). They also received charges from Anguish's Educational Foundation for IT expenses and other office expenses amounting to £80,914 (2020: £80,749). Also during the year, Norwich Consolidated Charities charged Norwich Town Close Estate Charity (inclusive of VAT) for office salaries totaling £154,629 (2020: £154,353) and office expenses amounting to £15,830 (2020: £14,619). Settlements made during the year were £68,338 (2020: £78,505) from Anguish's Educational Foundation and £126,875 (2020: £167,907) from Norwich Town Close Estate Charity.

NORWICH CONSOLIDATED CHARITIES

NOTES TO THE REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2021

23 CONNECTED CHARITIES AND OTHER RELATED PARTIES (CONTINUED)

At 31 December 2021, a balance of £24,325 was owed by Anguish's Educational Foundation (2020: £18,414) and £86,055 was owed by Norwich Town Close Estate Charity (2020: £42,470).

In addition, Anguish's Educational Foundation charges Norwich Consolidated Charities for the use of premises located at 11 Colegate and 10 Golden Dog Lane, Norwich. At 31 December 2021 Norwich Consolidated Charities owed Anguish's Educational Foundation £nil in respect of accrued charges (2020: £nil).

(b) Other Related Parties

There are no transactions to report for 2021. In 2020 a grant of £50,000 was made to the University of East Anglia, of which Mark Davies (a trustee of this Charity) is also a trustee.

24 COVID-19 IMPACT AND POST BALANCE SHEET EVENTS

The Covid-19 pandemic has had an unprecedented impact on the environment in which we operate. Subsequent to 31 December 2021 there have also been significant other economic and social disruptions, leading to actual and/or potential impact for the charity and its beneficiaries. Such effects may be far reaching and may continue to include:

- The value of our quoted investments has experienced some volatility over the period. As long-term investors, we focus on the longer term scenario. As at 25 March 2022 the value of such investments is £17,807,635.
- The value of investment properties held may fluctuate in the short to medium term.
- We anticipate that some of the tenants in our investment properties may experience further difficulties in paying their rent, which may impact on short to medium term cash flows.
- The needs of our beneficiaries continue to change and are likely to be greater than ever before.
- There is a risk that the operation of our almshouses may be subject to disruption.

While it is presently difficult to accurately predict when and how the current pandemic will be fully resolved, or how wider economic and social disruption may develop, the trustees and the executive have been keeping these matters under constant review.

Our watchwords since the start of the pandemic have been 'flexibility' and 'responsiveness'. We have aimed, and continue to aim, to listen to our beneficiaries (both individual and organisational) and, within the bounds of our Objects, to adapt and change both the ways in which we make grants and, where appropriate, the type of support, projects and services which we make grants for. We will continue to do this and we will also take those new and positive ways of working which have come from this, forward into our post-pandemic future as an organisation.

Whilst our cash flow and investment values continue to be affected, we have strategic cash held separately and continue to model our cash flow closely. We have undertaken detailed scenario planning, evaluating the impact of both reduced income and additional costs. We anticipate being able to continue our day to day operations without the need to sell investments, but do have this opportunity available to us should the need arise. While the values which may be realised from such investments may not be optimal, they would provide adequate resources to cover ongoing commitments for the foreseeable future (being considered twelve months from the date of this report).

NORWICH CONSOLIDATED CHARITIES

NOTES TO THE REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2021

25 GRANTS TO OTHER ORGANISATIONS

Organisation	Purpose of Grant	Amount
The Bridge Plus	Equal access to information and advice for BAME and migrant communities	£6,132
The Restoration Trust	Mental health, archaeology and creativity pilot	£4,028
ENYP (Equipping, Nurturing Young People)	Picnic Project	£15,000
Norwich Central Mosque	Norwich Central Mosque Food Bank	£4,100
MenTalkHealth	Mental health first aid training in charities and communities	£7,000
Curious Directive	Curious Cultures project	£8,977
Frozen Light	The sensory tent	£19,000
EA Aspergers	Drop in support programme	£10,000
The Big C	Nearer to Home project	£100,000
Norfolk Community Law Service	Food vouchers	£3,600
Shelter	Food vouchers	£3,000
The Assist Trust	Independence support scheme	£25,000
The Garage Trust	Participant resilience for adults and children	£100,000
Time Norfolk	Time to listen, grieve and heal project	£74,181
Norfolk Deaf Association	Hearing support services for age related hearing loss	£21,788
EPIC	Healthy Norwich project	£20,000
MensCraft	The Pit stop project	£15,127
NR2 Community Skillshare	Get moving pilot project	£2,600
Headway	Rehabilitation services	£5,419
Hebron Trust	Aftercare support for women in recovery	£23,200
Eating Matters	Early intervention counselling for children and young people	£62,147
Break	Tenancy ready support for care experienced young people	£19,140
Total for 2021		£549,439
Total for 2020		£660,742

NORWICH CONSOLIDATED CHARITIES

NOTES TO THE REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2021

26 SOFA - PREVIOUS YEAR COMPARATIVES - RESTATED

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2020 £
Income and endowments from:					
Donations and legacies		1,000	-	-	1,000
Charitable activities					
- Doughty's income	1	964,930	-	-	964,930
- Bakery Court income		46,009	-	-	46,009
Investments					
- Rental income	2	-	-	661,639	661,639
- Interest receivable	3	5,652	-	-	5,652
- Dividends and Rebates	3	89,108	1,913	490,588	581,609
Other		5,781	-	-	5,781
Total income		1,112,480	1,913	1,152,227	2,266,620
Expenditure on:					
Raising funds					
- Property expenses	2	-	-	174,317	174,317
- Investment charges		10,469	225	57,640	68,334
Charitable activities					
- Grants payable and related costs	4	1,035,177	-	-	1,035,177
- Transfer of Marion Road		-	321,073	-	321,073
- Almshouses expenditure	1	1,146,393	-	-	1,146,393
Governance costs	5	35,845	-	-	35,845
Total expenditure		2,227,884	321,298	231,957	2,781,139
Sub total		(1,115,404)	(319,385)	920,270	(514,519)
Net realised gains/(losses) on investments					
- Quoted Investments disposal		(31,415)	(675)	(172,953)	(205,043)
- Property disposal		-	-	68,326	68,326
Net income/(expenditure)		(1,146,819)	(320,060)	815,643	(651,236)
Transfers between funds	17, 19	1,139,354	-	(1,139,354)	-
Unrealised gains/(losses) on revaluation of assets					
- Quoted Investments	10(d)	157,227	3,376	865,613	1,026,216
- Quoted Investments Equalisations		(92)	(2)	(505)	(599)
- Properties	10(b,c)	-	-	(207,043)	(207,043)
Net movement in funds		149,670	(316,686)	334,354	167,338
Reconciliation of funds:					
Total funds brought forward as previously reported		4,754,021	824,226	31,735,945	37,314,192
Prior year adjustment 2019		-	198,747	165,453	364,200
Total funds brought forward as restated		4,754,021	1,022,973	31,901,398	37,678,392
Total funds carried forward	14	4,903,691	706,287	32,235,752	37,845,730