

**NORWICH TOWN CLOSE ESTATE CHARITY  
(OPERATING AS THE NORWICH FREEMEN'S  
CHARITY)**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2019**

# NORWICH TOWN CLOSE ESTATE CHARITY

## REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2019

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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:	Grant Thornton UK LLP Kingfisher House 1 Gilders Way St James Place Norwich, NR3 1UB
Solicitors:	Cozens-Hardy LLP Castle Chambers Opie Street Norwich, NR1 3DP
Steward:	N Saffell FRICS FAAV Brown & Co LLP The Atrium, St Georges Street Norwich, NR3 1AB
Investment advisers:	Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London, EC4M 8BU

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# NORWICH TOWN CLOSE ESTATE CHARITY

## REPORT OF THE TRUSTEES

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We, the Trustees of Norwich Town Close Estate Charity have pleasure in presenting our Report for the year ended 31 March, 2019.

### OBJECTIVES AND ACTIVITIES

#### Our purposes as set out in our governing document

The 'objects' of Norwich Town Close Estate Charity as stated in the Charity Commissioners' Scheme dated 1<sup>st</sup> November 1977 and the modified Scheme dated 10<sup>th</sup> May 1983 are as follows:

The Scheme defines the 'objects' of the Charity as:

1. The provision of 'relief in need' and 'pension' grants to Freemen of the City of Norwich or their widows or daughters where required, using half of the yearly income (after expenses) of the charity
2. The promotion of the education of those in need of financial assistance who are Freemen or the sons or daughters of Freemen, using the other half of the yearly income (less expenses) of the charity
3. Insofar as the income of the Charity is not needed for those two preceding purposes
  - a. the provision of 'relief in need'
  - b. the promotion of education of persons who are in need of financial assistance
  - c. the provision and support, in the interests of social welfare, of facilities for recreation and other leisure-time occupation– for the benefit of the inhabitants (who need not be Freemen) of the area within a 20 mile radius of the Guildhall in the City of Norwich.
4. Any other charitable purposes for the general benefit of the above inhabitants.

In 1984, our then Trustees decided, within the scope of the Scheme, to use the balance of income referred to in point 3 above to make grants for an educational purpose to bodies whose beneficiaries reside within our Area of Benefit (i.e. within a twenty-mile radius of Norwich Guildhall). Over recent years we have also demonstrated a strong interest in and commitment to supporting the rich heritage and cultural life of Norwich.

In addition to the above, we are increasingly aware of the barriers (both financial and cultural) which may prevent many members of our community from accessing arts, culture and heritage projects and activities and we are committed to doing all that we can, through our grant-making and in other ways, to remove these barriers. We are also committed to making a significant contribution to the heritage and cultural life of those areas outside Norwich which fall within our Area of Benefit.

#### Our main activities during the year

##### Grant-making to Freemen

The purpose of making grants to individuals is to contribute towards improving the quality of life for Freemen and their eligible relatives who cannot get any further help from the State. This is achieved by:

- Granting a so-called 'pension' – an annual grant made at the discretion of Trustees - currently of £1,041 per annum
- helping out with extraordinary and often unexpected items of expenditure when the individual does not have the means – a grant for 'relief in need'

A second area of our support to Freemen is to assist them, their children and (latterly) their apprentices with their education and training by:

- provision of grants for post year 11 students undertaking further education courses
- facilitating access to a fee-paying school when we deem this necessary and when it would otherwise not be possible
- assisting with the costs of school clothing and school trips
- easing the costs of university or other tertiary educational courses
- contributing to the cost of higher degrees, including doctorates
- meeting the cost of vocational training, mostly at colleges
- supporting the development of talented musicians, artists and sportsmen and women who are likely to attain professional status

The *rationale* for these areas of support is as follows:

'Pension' grant: this grant is designed to supplement the regular income of Freemen and eligible relatives who are on the lowest incomes. The grant is the maximum which the government formally 'disregards' for the purposes of determining other benefits.

During the year we provided 78 pensions totalling £80,504.

We also agreed 16 grants for TV licences totalling £2,397.

Grants for 'relief in need': these grants are designed to assist Freemen and their eligible relatives to afford one-off items of significant expenditure which they might otherwise struggle to provide.

During the year we agreed 7 grants for relief in need totalling £9,689 – with the average grant being £1,384.

School clothing: this represents a significant cost to families, especially those with several growing children at school. In our view, no child should be marked out as poor by virtue of the standard of their attire as this may lead to bullying and abuse, the consequences of which often live with people for the rest of their lives.

During the year we agreed 12 grants for school clothing totalling £2,065 – with the average grant being £172.

University maintenance: We are aware that the cost of going to university is increasingly a barrier to many able young people, in particular those from poorer backgrounds.

During the year we made 8 grants for University maintenance totalling £14,900 – with the majority of grants being £1,925.

College and other Further education fees: We consider grants to support people of all ages who would benefit from undertaking a programme of training as an important part of our work.

During the year we agreed 13 grants in relation to college and other further education fees totalling £35,002 – with the average grant being £2,692.

Educational travel: We believe that the opportunities for learning which educational travel offers are crucial in a young person's development and achievement. Without such opportunities, their experience of life would be immeasurably more limited and this opportunity to learn, grow and imagine denied. We support residential trips only, not day outings, since these are obviously a greater cost for families to bear.

During the year we made 4 grants in relation to educational travel totalling £987 – with the average grant being £247.

Talented individuals: We will support the cost of programmes of training and development which are designed to enable exceptionally talented Freemen and their eligible relatives to move towards attaining professional standards and status in the fields of music, the arts and sport.

Miscellaneous Educational Grants: During the year we also made two additional educational grants totalling £1,352.

#### **Grant-making to non-Freemen**

During the year we agreed 57 grants to other organisations, totalling £613,638 (net of a cancelled grant of £750): 9 of these, totalling £67,349, were to educational establishments – with the average grant being £7,483. The remainder, 48, were to charities and other organisations, totalling £546,289 – with the average grant being £11,381. The largest single grant we made was for £120,340, the smallest for £900.

These grants either fully funded or made significant contributions towards:

- A significant number of educational projects for young people of school age which were additional to the range of opportunities normally available from/provided by their school.
- A wide range of arts, cultural and heritage activities, projects, performances, workshops, exhibitions, facilities, festivals and events both for the general population and for specific groups who otherwise would not have had such opportunities
- The improvement of sports club facilities and the purchase of sports-related equipment
- Literature-related facilities and activities for both children and adults
- The improvement/creation of community facilities and buildings, including in relation to access for people with disabilities
- Science-related education and activities for young people
- Music-related education and activities for young people
- Work with people with a range of disabilities
- Support for and group work with young people with a variety of different needs
- The creation or improvement of facilities, including outdoor learning spaces/classrooms, and the purchase of equipment at a number of schools
- The provision of equipment and the maintenance of facilities for young people attending groups and activities outside school hours
- The provision of free days during the summer holidays for visitors to the Museum of Norwich and Stranger's Hall
- The promotion of increased understanding of and support for refugees
- The provision of CPR and defibrillator training sessions for young people

*Each year there are number of grants which we approve which eventually expire, are not taken up or are cancelled for a variety of reasons. This explains any differences between the above figures and the figures listed under note 3 of our accounts.*

### **The investment and distribution of our funds**

Whilst this is not an 'activity' in the same sense that the provision 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<sup>st</sup> March 2019 was £25,848k (2018: £25,676k) comprising £14,689k (56%) (2018: £15,189k) in directly-owned property and £10,659 (41%) (2018: £10,487k) in quoted investments and £500k (2%) (2018: £nil) in surplus cash – due to a property sale prior to the year end.

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
- 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 at 4.1% per annum of the value of the fund for investment as at 31<sup>st</sup> March 2012, uprated by 3% per annum to protect its value in real terms.

We assess the appropriateness of our investment policy in terms of 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 7.1% total return per annum, which when inflation, estimated at 3% per annum, is deducted gives a real rate of 4.1% 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 we consider performance in the year ended 31<sup>st</sup> March 2019 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. We do not engage individuals or entities to fundraise on our behalf.

### **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 seek advice about and to further discuss the concept of social investment. We are excited by the potential 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. During the coming year we will continue to seek clarity as to how best to translate these aspirations into reality.

### **Review of our future direction**

We continue to have regular discussions concerning the particular areas of our grant-making which we feel will have the greatest positive impact on the lives of our beneficiaries and how we can expand on these. Since the end of the financial year covered by these accounts we have also made two significant changes to our procedures. The first of these is that, within the eligibility criteria which we set, we have delegated decision-making power in relation to our grants to individuals to our Chief Executive and Finance Director – thus creating more time at Trustee meetings for discussion of strategic matters. The second is that we have established Grant Committee meetings which are separate from our quarterly trustee meetings, thus giving us more time for discussion and debate concerning applications from other organisations. In addition, our new organisational website and on-line application portal will be launched later this year.

### **ACHIEVEMENTS AND PERFORMANCE**

#### **Grant-making to individual Freemen**

Earlier in this report we have listed the number of grants and pensions which we have provided to individual Freemen and their dependant relatives, the total and average amounts of money involved and the range of support which these grants have funded.

Behind each of these sets of figures are people who are in need. The range of grants/pensions which we have been able to provide have either lessened the financial hardship or distress which they have been facing or have enabled access to educational opportunities/facilities which would otherwise not have been possible.

#### **Support to non-Freemen through grant-making to organisations**

We give grants to organisations whose aims fit well with our objects (note 16). These are largely organisations which, through their work, aim to promote the education of people who are in need of financial assistance or to provide facilities for recreation and leisure-time activities – in particular, but not exclusively, those related to the rich heritage and cultural life of our area of benefit.

### **FINANCIAL REVIEW**

#### **Review of our financial position at the end of the year**

Our financial results for the year ended 31<sup>st</sup> March 2019 and our financial position as at 31<sup>st</sup> March 2019 are set out in the Financial Statements section of this report, commencing with the Statement of Financial Activities on page 18. During the year our financial planning, monitoring and control have continued to be of a good standard and our actual performance is in line with our budgeted expectations.

In summary, we remain in a very strong financial position, this having strengthened during 2018-19 as a result of the rise in value of our assets.



### **Reserves policy**

Our 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 by the Trustees based on professional advice at the time any exceptional expenditure from reserves was required. The level of such unapplied funds is shown in Note 13(b) to the Accounts, standing at £15,858k as at 31 March 2019.

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 us 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.

The trustees have reviewed the level of unrestricted reserves and consider these remain appropriate.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

Norwich Town Close Estate Charity, registered charity number 235678 is a body with significant permanently endowed funds and is governed by a Scheme approved by the Charity Commission on 1<sup>st</sup> November 1977 and modified on 10<sup>th</sup> May 1983.

At present we are an unincorporated association. However, we have decided that we should become incorporated as a Charitable Company Limited by Guarantee whilst retaining the existing Charity to hold the endowed assets. We have approved a Memorandum and of Articles of Association and await final approval of the changes by the Charity Commission.

For a number of years, we have shared a common administration and office with two other endowed Charities, Anguish's Educational Foundation and Norwich Consolidated Charities, and with the Marion Road Centre Trust. The informal 'group name' for the Charities is 'Norwich Charitable Trusts' and, 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: Vanessa Soer carries out this role at present in respect of Norwich Town Close Estate Charity. 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.

The Board of trustees comprises 16 Trustees, 8 of whom, Freemen of the City of Norwich, are elected for a five year term by The Common Hall of Freemen, the 'parliament' of the Freemen of the City of Norwich, chaired by Nigel Back. The Common Hall meets once every five years.

The other 8 Trustees are nominated by the Trustees of Norwich Consolidated Charities.

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. Grant applications from other bodies are considered by Trustees twice a year.

There is considerable devolution of authority to formal Committees of Trustees and to senior staff, within the terms of the Scheme and agreed policies and budgets. For the year ended 31 March 2019, all decisions relating to grants, whether to individuals or other bodies, were made by Trustees and monitored by the plenary body. Since the year end, pension and school uniform grants are approved by the Executive in accordance with agreed parameters and reported to the plenary body. This body sets the budgets within which the Committees and the Chief Executive, with his delegated authority for the management of the Charity, work. Policies are decided or ratified by the plenary meeting, based upon recommendations coming from the Committees or the Chief Executive.

Membership of the Finance, Audit and Grants 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 Committee meetings to advise the Trustees and to report on the exercise of their delegated responsibilities.

### **Charity Governance Code for larger charities**

We acknowledge the significance and value of this Code as a tool to support the 'continuous improvement' of our Governance arrangements and procedures. While at present we have not adopted the code we have considered its content and will seek to do so in due course. During the coming year we will be looking in particular at our trustee recruitment aims and processes, developing a new comprehensive trustee recruitment pack and continuing our involvement with and contribution to the ACF (Association of Charitable Foundations) 'Stronger Foundations' project through our membership of their 'Transparency and engagement' working group.

### **Connected Charities**

As mentioned above, Anguish's Educational Foundation, Norwich Consolidated Charities and The Marion Road Centre Trust all share the administration with Norwich Town Close Estate Charity from the office at 1 Woolgate Court, St Benedict's Street, Norwich. They also receive independently the services of the Steward. Each Charity is a separate registered Charity and entity with its own governance.

### **Governance related to the Total Return Approach (TRA)**

There are particular duties placed on Trustees as a result of our 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'
- Trustees will need to establish a rational policy to determine periodically what part of the UTR is allocated from time to time to the trust for application
- 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 UTR they take to spend, rather than taking an annual view of returns on the investments.
- Trustees must be able to justify the level of UTR 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.

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 Notes 13(a) and (b) to these accounts.

The advice relating to the feasible and sustainable level of transfer to the Trust for Application for 2018/19 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 – property advisers and managers

#### **Transfer to the Trust for Application (income) for 2018/19**

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 2018/19.

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 7.1%. They also advised that 3% of this should be retained in the Fund for Investment to maintain its real terms value as the basis for treating future beneficiaries equally. The Trustees have reviewed this policy every December since 2013 with their advisers and agreed not to change it in any respect other than for the forthcoming year (2019/20) we have reduced our expectation of both the annual total return and inflation to 6.0% and 2.0% respectively.

Consequently, the SOFA shows a transfer in 2018/19 from the Fund for Investment to the Trust for Application of £941k (2017/18: £914k).

The outturn for the year shows an increase in the value of the Fund for Investment of 0.7% (2017/18: (2.9%)), following the transfer to the Trust for Application. This falls below the 3% needed to maintain the real terms value of the Fund to protect the interests of future beneficiaries. However, the actual value of the Fund on 31 March 2019 exceeds the notional value by £2,201k, so the condition is still more than met.

The balance remaining unspent in the Trust for Application on 31<sup>st</sup> March 2018 and brought forward to 2018/19 was £41,635. An equivalent sum of £26,155 remained on 31 March 2019 which will be carried forward to 2019/20.

# NORWICH TOWN CLOSE ESTATE CHARITY

## REPORT OF THE TRUSTEES

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### REFERENCE AND ADMINISTRATIVE DETAILS

Norwich Town Close Estate Charity, registered charity number 235678.

The Board of trustees comprises 16 Trustees, 8 of whom, Freemen of the City of Norwich, are elected for a five year term by The Common Hall of Freemen, the remaining 8 are nominated by the Trustees of Norwich Consolidated Charities. Those who served in these capacities during 2018/19 and/or are Trustees at the time of the approval of these financial statements are shown in the table below.

Nigel Back was elected Chair and David Fullman Vice-Chair of the Trustees for 2018. They were re-elected in these capacities for 2018 at the February 2018 meeting of the plenary body.

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.

#### TRUSTEE

#### Period of Office

#### Nominated by the Common Hall of Freemen of the City of Norwich

Nigel Barry Quarles Back	5 years until 17 <sup>th</sup> January 2020 or until an earlier date in January 2020 which the Common Hall to be held in 2020 shall decide
David Spencer Barber	5 years until 17 <sup>th</sup> January 2020 or until an earlier date in January 2020 which the Common Hall to be held in 2020 shall decide
Owen Charles Marston Gibbs	5 years until 17 <sup>th</sup> January 2020 or until an earlier date in January 2020 which the Common Hall to be held in 2020 shall decide
Michael James Quinton	5 years until 17 <sup>th</sup> January 2020 or until an earlier date in January 2020 which the Common Hall to be held in 2020 shall decide
Stuart Charles Lamb	5 years until 17 <sup>th</sup> January 2020 or until an earlier date in January 2020 which the Common Hall to be held in 2020 shall decide
John Stuart Rushmer	5 years until 17 <sup>th</sup> January 2020 or until an earlier date in January 2020 which the Common Hall to be held in 2020 shall decide
Robert Wellesley Self	5 years until 17 <sup>th</sup> January 2020 or until an earlier date in January 2020 which the Common Hall to be held in 2020 shall decide
John Bernard Symonds	5 years until 17 <sup>th</sup> January 2020 or until an earlier date in January 2020 which the Common Hall to be held in 2020 shall decide

**Nominated by the Trustees of Norwich Consolidated Charities**

Philip Blanchflower	Until 11 <sup>th</sup> July 2021
Brenda Ferris	Until 14 <sup>th</sup> September 2020
David Fullman	Until 19 <sup>th</sup> October 2019
Chris Herries	Until 2 <sup>nd</sup> September 2020
Beth Jones	From 5 September 2018 until 8 <sup>th</sup> December 2019
Geoffrey Loades	Until 19 <sup>th</sup> October 2019
Peter Shields	Until 13 <sup>th</sup> March 2022
Jeanne Southgate	Until 13 <sup>th</sup> March 2022
Heather Tyrell	Until 2 <sup>nd</sup> September 2018

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 two senior officers to advise them and to carry out their approved plans:

Becky Bird, Chartered Accountant	Director of Finance
David Hynes	Chief Executive

Further details on staffing can be found in note 5. 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 and the Director of Finance as comprising the key management personnel in charge of directing and controlling the Charity and running and operating it 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 4 to the accounts on page 23 and related party transactions are disclosed in note 15 to the accounts on page 31.

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.

**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), including

## NORWICH TOWN CLOSE ESTATE CHARITY

### REPORT OF THE TRUSTEES

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FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

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 2008 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.

#### **Funds Held as Custodian Trustee on Behalf of Others**

The Trustees do not hold any funds as custodian Trustees.

#### **Thanks**

Thanks are due to all of our trustees who have given their time during the year: to all members of the grants team; to Becky Bird, Director of Finance and the whole Woolgate Court team; to the Steward and his colleagues and to David Hynes, Chief Executive. Without their dedication and skill, the Charity's work would not be as effective and valued as it is.

FOR AND ON BEHALF OF THE TRUSTEES



Nigel Back  
Chair of the Board of Trustees  
1 Woolgate Court, St Benedicts Street  
Norwich, NR2 4AP  
2 July 2019

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORWICH TOWN CLOSE ESTATE CHARITY**

### **Opinion**

We have audited the financial statements of Norwich Town Close Estate Charity (the 'charity') for the year ended 31 March 2019, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2019 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### **Basis for opinion**

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. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees, set out on pages 1 to 11 other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **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 Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient 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 for the financial statements**

As explained more fully in the Trustees' Responsibilities Statement set out on pages 10 and 11, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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's responsibilities for the audit of the financial statements**

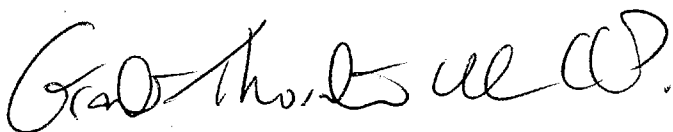
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
NORWICH

25 July 2019.

Grant Thornton UK 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 01 January 2015 and the Charities Act 2011. The Charity is a public benefit entity in accordance with FRS 102. The Financial Statements are presented in sterling (£).

### **GOING CONCERN**

The Charity has generated sufficient financial resources from its activities to allow the Trustees to believe that the Charity is well placed to manage its business risks successfully in the current economic climate.

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 Town Close Estate Charity is an unincorporated Charity and has two types of fund, Endowment Funds, which are Permanent Endowments, and Unrestricted Funds.

Regarding Endowment Funds, the investment power of the Total Return Approach was granted to Norwich Town Close Estate Charity 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.

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 and designations are disclosed in notes 12 and 13.

### **INCOMING RESOURCES**

All incoming resources are 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 income is recognised on an annualised basis as it falls due. Investment income (including bank interest) is recognised when receivable.

### **FIXED TANGIBLE ASSETS**

The long leasehold property held as a functional fixed asset is being amortised over 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.

Traded investments are shown at market 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.

**PROVISION FOR FUTURE CYCLICAL REPAIRS AND MAINTENANCE**

It is considered that all forms of periodic maintenance will be funded from income when the work becomes necessary and accordingly no reserves have been designated for this purpose.

**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 the 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.

**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.

**CASH AND CASH EQUIVALENTS**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**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.

**PENSIONS**

The Charity pays a contribution towards the pension costs of current office staff that are employed by the connected charity Norwich Consolidated Charities and are members of a group personal pension scheme. The Charity pays in the same proportion as it does for the salary cost. Note 5 gives further information in this regard.

**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.

# NORWICH TOWN CLOSE ESTATE CHARITY

## STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2019

	Note	Unrestricted funds £	Endowment funds £	Total 2019 £	Total 2018 £
<b>Income and endowments from:</b>					
Investments					
- Rental income	1	-	661,861	661,861	480,748
- Interest receivable	2	1,707	-	1,707	2,067
- Dividends and Rebates	2	39,086	365,485	404,571	425,865
<b>Total income</b>		<b>40,793</b>	<b>1,027,346</b>	<b>1,068,139</b>	<b>908,680</b>
<b>Expenditure on:</b>					
Raising funds					
- Property expenses	1	-	(135,564)	(135,564)	(144,150)
- Investment charges		(4,447)	(41,581)	(46,028)	(49,680)
Charitable activities					
- Grants payable and related costs	3	(918,872)	-	(918,872)	(869,462)
Other	4	(33,106)	-	(33,106)	(34,940)
<b>Total expenditure</b>		<b>(956,425)</b>	<b>(177,145)</b>	<b>(1,133,570)</b>	<b>(1,098,232)</b>
<b>Sub total</b>		<b>(915,632)</b>	<b>850,201</b>	<b>(65,431)</b>	<b>(189,552)</b>
Net realised gains/(losses) on investments					
- Quoted Investments disposal		5,628	52,627	58,255	48,999
- Quoted Investments equalisations		(40)	(378)	(418)	-
- Property disposal		-	141,288	141,288	-
<b>Net (expenditure)/ income</b>		<b>(910,044)</b>	<b>1,043,738</b>	<b>133,694</b>	<b>(140,553)</b>
<b>Transfer between funds</b>		<b>941,000</b>	<b>(941,000)</b>	<b>-</b>	<b>-</b>
Gains/(losses) on revaluation of assets					
- Quoted Investments	8(d)	27,607	258,142	285,749	36,754
- Properties	8(b,c)	-	60,000	60,000	450,800
<b>Other recognised gains/(losses)</b>		<b>27,607</b>	<b>318,142</b>	<b>345,749</b>	<b>487,554</b>
<b>Net movement in funds</b>		<b>58,563</b>	<b>420,880</b>	<b>479,443</b>	<b>347,001</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	12, 13	1,534,074	24,242,790	25,776,864	25,429,863
<b>Total funds carried forward</b>		<b>1,592,637</b>	<b>24,663,670</b>	<b>26,256,307</b>	<b>25,776,864</b>

There are no other recognised gains or losses on the continuing activities in either year.

# NORWICH TOWN CLOSE ESTATE CHARITY

BALANCE SHEET AS AT 31 MARCH 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets – Woolgate Court	7	172,857	177,289
Investments	8	25,348,421	25,676,365
Total fixed assets		25,521,278	25,853,654
<b>Current assets</b>			
Debtors	9	91,387	71,824
Cash at bank and in hand		1,062,702	390,293
Total current assets		1,154,089	462,117
<b>Liabilities</b>			
Creditors: amounts falling due within one year	10	(419,060)	(538,907)
Net current (liabilities)/assets		735,029	(76,790)
Total assets less current liabilities		26,256,307	25,776,864
<b>Total net assets or liabilities</b>		26,256,307	25,776,864
<b>The funds of the charity:</b>			
Unrestricted	12	1,592,637	1,534,074
Endowment	13	24,663,670	24,242,790
<b>Total charity funds</b>	11	26,256,307	25,776,864

These financial statements were approved and authorised for issue by the Trustees on 2 July 2019 and are signed on their behalf by:



Nigel Back Chair



David Fullman Vice Chair

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

# NORWICH TOWN CLOSE ESTATE CHARITY

## STATEMENT OF CASH FLOWS

For the year ended 31 March 2019

### Reconciliation of net income/(expenditure) to net cash flow

	2019	2018
	£	£
<b>Net income/(expenditure) for the year</b>	<b>133,694</b>	<b>(140,553)</b>
<b>Adjustments for:</b>		
Depreciation charges	4,432	4,432
(Gains)/losses on disposal of investment property	(141,288)	-
(Gains)/losses on disposal of quoted investments	(58,255)	(48,999)
Quoted investment equalisations	418	-
Dividends, rebates, interest and rents from investments	(1,068,139)	(908,680)
(Increase)/decrease in debtors	(19,563)	(29,186)
(Decrease)/increase in creditors	(119,847)	1,599
	<b>(1,402,242)</b>	<b>(980,834)</b>
<b>Net cash (used in) /provided by operating activities</b>	<b>(1,268,548)</b>	<b>(1,121,387)</b>
<b>Cash flows from investing activities:</b>		
Dividends, rebates, interest and rents from investments	1,068,139	908,680
Proceeds from sale of investment property	701,288	-
Proceeds from sale of quoted investments	679,282	5,107,018
Purchase of investment property	-	(1,658,700)
Purchase of quoted investments	(507,752)	(3,639,101)
<b>Net cash provided by/(used in) investing activities</b>	<b>1,940,957</b>	<b>717,897</b>
<b>Net cash in/(out)flow</b>	<b>672,409</b>	<b>(403,490)</b>
<b>Change in cash and cash equivalents in the year</b>	<b>672,409</b>	<b>(403,490)</b>
<b>Cash and cash equivalents at the start of the year</b>	<b>390,293</b>	<b>793,783</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,062,702</b>	<b>390,293</b>

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

**NORWICH TOWN CLOSE ESTATE CHARITY**

## NOTES TO THE REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2019

## 1. PROPERTY RENTAL

	2019			2018		
	Residential property £	Commercial property £	Total £	Residential property £	Commercial property £	Total £
<b>Rental Income</b>	<b>106,077</b>	<b>555,784</b>	<b>661,861</b>	<b>114,357</b>	<b>366,391</b>	<b>480,748</b>
<b>Property expenses</b>						
Repairs and maintenance	22,348	5,594	27,942	32,927	8,061	40,988
Business Rates, Council Tax and Water charges	945	7,424	8,369	-	10,084	10,084
Insurances	6,854	15,186	22,040	6,703	12,073	18,776
Steward's fees	7,999	36,259	44,258	8,519	23,804	32,323
Legal and professional costs	-	16,149	16,149	2,058	34,898	36,956
Bad debt provision	-	12,304	12,304	-	-	-
Irrecoverable VAT	4,502	-	4,502	5,023	-	5,023
	<b>42,648</b>	<b>92,916</b>	<b>135,564</b>	<b>55,230</b>	<b>88,920</b>	<b>144,150</b>
<b>Net income</b>	<b>63,429</b>	<b>462,868</b>	<b>526,297</b>	<b>59,127</b>	<b>277,471</b>	<b>336,598</b>



# NORWICH TOWN CLOSE ESTATE CHARITY

## NOTES TO THE REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2019

### 2 INTEREST RECEIVABLE, DIVIDEDS AND REBATES

	2019	2018
	£	£
Bank and other interest	1,707	2,067
Investment income (Dividends and Rebates) from securities within:		
- Unrestricted funds	39,086	41,143
- Endowment funds	365,485	384,722
	<u>406,278</u>	<u>427,932</u>

### 3 GRANTS PAYABLE AND RELATED COSTS

	2019	2018
	£	£
<b>Grants payable</b>		
Educational	54,306	64,868
'Pension' grants	80,504	85,858
Television licences	2,397	2,148
Relief in Need	9,689	7,661
Other organisations (note 16)	613,638	534,023
Revision of 'Buxom to the Mayor' (the history of the Freedom of the City of Norwich) and creation of a database of Freemen over the last 700 years	3,213	24,742
	<u>763,747</u>	<u>719,300</u>

A total of 140 (2018: 133) grants have been made to individuals.

	2019	2018
	£	£
<b>Grant-making support costs</b>		
Staff costs	101,363	91,617
General office expenses	37,563	42,451
Irrecoverable VAT	16,199	16,094
	<u>155,125</u>	<u>150,162</u>
<b>Total grants payable and related costs</b>	<u>918,872</u>	<u>869,462</u>

# NORWICH TOWN CLOSE ESTATE CHARITY

## NOTES TO THE REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2019

### 4 OTHER – GOVERNANCE COSTS

	2019	2018
	£	£
Staff costs	11,263	10,180
Audit fee	7,900	8,878
General office expenses	9,893	11,858
Irrecoverable VAT	4,050	4,024
	<u>33,106</u>	<u>34,940</u>

No remuneration was paid to Trustees in the year (2018: £Nil) but expenses of £108 were incurred (2018: £329).

### 5 STAFF COSTS

The Charity has no employees of its own.

The following staff costs were recharged from Norwich Consolidated Charities during the year. This amounts to a one third share of the cost of Officers, Senior Executives and all staff at Woolgate Court.

Further information concerning the remuneration of key management personnel, whose remuneration is partially borne by this charity, can be found in the Financial Statements of Norwich Consolidated Charities.

	2019	2018
	£	£
Wages and salaries	94,757	86,266
Social security costs	8,804	8,025
Pension costs	8,269	6,753
Life Insurance	796	753
	<u>112,626</u>	<u>101,797</u>
<b>Allocation:</b>		
Grant-making support costs	101,363	91,617
Governance costs	11,263	10,180
	<u>112,626</u>	<u>101,797</u>

Included in the above figures is an amount of £358, being an accrual in respect of holiday pay earned by staff to 31 March 2019, but not taken by that date (2018: £225).

For the year ended 31 March 2019

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**6 TAXATION**

Norwich Town Close Estate Charity is a charity within the meaning of the Taxes Acts and is, therefore, eligible to claim certain exemptions to income tax and capital gains tax. As a consequence no charge to taxation arises for the year. The Charity is subject to Value Added Tax under the partial exemption rules.

**7 TANGIBLE FIXED ASSETS**

<b>Woolgate Court</b>	<b>2019</b>
	<b>£</b>
<b>Long leasehold property - cost</b>	
At 1 April 2018	221,611
Additions	-
At 31 March 2019	<u>221,611</u>
<b>Long leasehold property - depreciation</b>	
At 1 April 2018	44,322
Charge for the year	4,432
At 31 March 2019	<u>48,754</u>
Net book value at 31 March 2019	<u><b>172,857</b></u>
Net book value at 31 March 2018	<u>177,289</u>

# NORWICH TOWN CLOSE ESTATE CHARITY

## NOTES TO THE REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2019

### 8 FIXED ASSET INVESTMENTS

#### (a) Summary

	2019	2018
	£	£
Investment properties in UK at open market value (note 8b)	5,845,000	5,785,000
Ancient endowment properties in UK at open market value (note 8c)	8,844,000	9,404,000
Quoted Investments (note 8d)	10,659,421	10,487,365
	<b>25,348,421</b>	<b>25,676,365</b>

#### (b) Investment Properties

	2019	2018
	£	£
At 1 April 2018	5,785,000	4,175,000
Additions	-	1,658,700
Revaluation	60,000	(48,700)
<b>At 31 March 2019</b>	<b>5,845,000</b>	<b>5,785,000</b>

Investment properties comprise:	Year of purchase	Market Value £	Historic Cost £
Queens Square, Attleborough	1982	300,000	58,871
2 St John's Street, Bury St Edmunds	1983	200,000	162,995
Mackays Stores, Church Street, Attleborough	1984	875,000	411,050
Nationwide Building Society, Church Street, Attleborough	1984	275,000	
12 & 14 Hamblin Road, Woodbridge	1985	325,000	231,748
27/29 High Street, Watton	1989	910,000	789,224
104/106 Carlton Road, Lowestoft	1989	240,000	125,000
35-37 Leopold Road, Norwich	1989	365,000	98,636
17-27 Orford Place, Norwich (one third share)	2009	730,000	678,983
Campbells Meadow, Kings Lynn	2017	1,625,000	1,575,900
		<b>5,845,000</b>	<b>4,132,407</b>

Investment properties and Ancient endowment properties are professionally re-valued 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 Principal of Brown & Co LLP, Norwich, on 31 March 2018. A desk top update is carried out each year between the triennial valuations.

**8 FIXED ASSET INVESTMENTS (CONTINUED)**

**(c) Ancient endowment properties within UK**

	2019	2018
	£	£
At 1 April 2018	9,404,000	8,904,500
Disposals	(560,000)	-
Revaluation	-	499,500
<b>At 31 March 2019</b>	<b>8,844,000</b>	<b>9,404,000</b>

The ancient endowment properties, originally having been gifted to the charity, have a historical cost of £221,604 (2018: £221,604).

**(d) Quoted Investments**

	2019	2018
	£	£
Market value at 1 April 2018	10,487,365	11,869,529
Additions	507,752	3,639,101
Disposals	(621,027)	(5,058,019)
Revaluation	285,749	36,754
Equalisations	(418)	-
<b>Market value at 31 March 2019</b>	<b>10,659,421</b>	<b>10,487,365</b>

# NORWICH TOWN CLOSE ESTATE CHARITY

## NOTES TO THE REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2019

### 8 FIXED ASSET INVESTMENTS (CONTINUED)

#### (d) Quoted Investments (Continued)

		Market value £	Cost £
<i>Endowment Fund</i>			
455,806	Sarasin Fund for Charities - Thematic UK Equity (GBP) - X INC	540,586	472,534
452,204	Sarasin Global Higher Dividend (Sterling Hedged) - I INC	733,023	615,553
58,828	Sarasin Global Higher Dividend - I INC	98,125	65,039
367,122	Sarasin Thematic Global Equity (Sterling Hedged) - I INC	710,749	558,293
9,520	Sarasin Thematic Global Equity - I INC	98,717	102,528
1,002	Invesco Physical Gold P-ETC	96,799	96,517
8,904	NB Uncorrelated Strat-15GBPA	92,247	90,288
7,903	Sarasin IE Systematic Absolute Return - UK (GBP) I INC.	71,343	79,026
490	KLS Zebra GB EQ BET NE-SIGBP	44,069	48,433
30,985	Oakley Capital Investments	61,351	61,382
63,165	Syncona Ltd	162,650	77,462
6,530,670	Sarasin Endowments Fund Class A Inc	6,759,244	5,137,521
22	Sterling Income Acct	22	22
128,533	Sterling Investment acct	128,533	128,533
32,156	Unsettled	32,156	32,156
		<b>9,629,614</b>	<b>7,565,287</b>
<i>General Fund</i>			
48,745	Sarasin Fund for Charities - Thematic UK Equity (GBP) - X INC	57,811	50,534
48,359	Sarasin Global Higher Dividend (Sterling Hedged) - I INC	78,391	65,828
6,291	Sarasin Global Higher Dividend - I INC	10,494	6,955
39,261	Sarasin Thematic Global Equity (Sterling Hedged) - I INC	76,009	59,705
1,018	Sarasin Thematic Global Equity - I INC	10,557	10,964
107	Invesco Physical Gold P-ETC	10,352	10,322
952	NB Uncorrelated Strat-15GBPA	9,865	9,656
845	Sarasin IE Systematic Absolute Return - UK (GBP) I INC.	7,629	8,451
52	KLS Zebra GB EQ BET NE-SIGBP	4,713	5,180
3,314	Oakley Capital Investments	6,561	6,564
6,755	Syncona Ltd	17,394	8,284
698,400	Sarasin Endowments Fund Class A Inc	722,844	549,414
2	Sterling Income Acct	2	2
13,746	Sterling Investment acct	13,746	13,746
3,439	Unsettled	3,439	3,439
		<b>1,029,807</b>	<b>809,044</b>
At 31 March 2019		<b>10,659,421</b>	<b>8,374,331</b>
At 31 March 2018		<b>10,487,365</b>	<b>8,519,039</b>

**9 DEBTORS**

	2019	2018
	£	£
Rents receivable	60,391	42,214
Other debtors	18,331	18,533
Prepayments	12,665	11,077
	<u>91,387</u>	<u>71,824</u>

**10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019	2018
	£	£
Grants to Other Organisations - committed in year ended 31 March 2019	73,677	-
Grants to Other Organisations - committed in year ended 31 March 2018	81,950	199,967
Grants to Other Organisations - committed in year ended 31 March 2017	20,000	20,000
Grants to Other Organisations - committed in year ended 31 March 2016	50,000	52,500
Other taxes and social security	19,034	11,310
Other creditors	67,340	153,622
Accruals	20,144	45,769
Rents received in advance	86,915	55,739
	<u>419,060</u>	<u>538,907</u>

**11 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds	Endowment funds	Total
	£	£	£
<b>Fixed assets</b>			
Tangible assets	172,857	-	172,857
Investments	1,030,706	24,317,715	25,348,421
	<u>1,203,563</u>	<u>24,317,715</u>	<u>25,521,278</u>
<b>Net current assets</b>	389,074	345,955	735,029
	<u>1,592,637</u>	<u>24,663,670</u>	<u>26,256,307</u>

# NORWICH TOWN CLOSE ESTATE CHARITY

## NOTES TO THE REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2019

### 12 UNRESTRICTED FUNDS

	General Surplus £	Investment Revaluation Reserve £	Woolgate Court £	Total £
Balance at 1 April 2018	1,132,922	223,863	177,289	1,534,074
Net expenditure before gains on investments	(915,632)	-	-	(915,632)
Net gains/(losses) on Quoted Investment disposals	5,628	(2,996)	-	2,632
Quoted investment equalisations	(40)	-	-	(40)
Transfers– Allocation from the Unapplied Total				
Return	941,000	-	-	941,000
Gains/(losses) on revaluation of Quoted Investments	-	30,603	-	30,603
Transfer to designated fund	4,432	-	(4,432)	-
Balance at 31 March 2019	<b>1,168,310</b>	<b>251,470</b>	<b>172,857</b>	<b>1,592,637</b>

The Woolgate Court Fund represents the Charity's 1/3<sup>rd</sup> share of the net book value of the office premises at Woolgate Court. The transfer from this to General Surplus represents the depreciation charge for the year.

### 13 ENDOWMENT FUNDS

#### (a) ANALYSIS OF ENDOWMENT FUNDS

	Capital Fund £	Property Revaluation Reserve £	Investment Revaluation Reserve £	Total £
Balance at 1 April 2018	11,312,858	10,836,593	2,093,339	24,242,790
Net income before gains on investments	850,201	-	-	850,201
Net gains/(losses) on Quoted Investment disposals	52,627	-	(28,018)	24,609
Quoted investment equalisations	(378)	-	-	(378)
Net gains/(losses) on Investment Property disposals	701,288	(560,000)	-	141,288
Transfers– Allocation from the Unapplied Total				
Return	(941,000)	-	-	(941,000)
Gains/(losses) on revaluation of assets:				
- Quoted investments	-	-	286,160	286,160
- Property	-	60,000	-	60,000
Balance at 31 March 2019	<b>11,975,596</b>	<b>10,336,593</b>	<b>2,351,481</b>	<b>24,663,670</b>

On 1 April 2012, following permission granted by the Charity Commission, Norwich Town Close Estate Charity adopted the Total Return Approach to investment and management. One of the conditions attached to this permission was that the Charity identifies the values (opening and closing) and movements during the year, of the Unapplied Total Return, which forms part of Endowment Funds. This detail appears as Note 13(b) to these Financial Statements.



**13 ENDOWMENT FUNDS (CONTINUED)**

**(b) THE UNAPPLIED TOTAL RETURN AND FUND TRANSFERS**

The investment power of Total Return was granted to Norwich Town Close Estate Charity 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 to be available for expenditure.

	2019	
	£	£
Value of the Total Endowment Funds at 1 April 2018	24,242,790	
Less value of the Original Gift	(8,806,000)	
Opening value of the Unapplied Total Return		15,436,790
Add:		
Investment income from Rentals	661,861	
Investment income from Dividends and Rebates	365,485	
Profit on disposal of Quoted investments	52,627	
Profit on disposal of Investments properties	141,288	
Gain on revaluation of Quoted investments	258,142	
Gain on revaluation of Investment Properties	60,000	
		1,539,403
Less:		
Property expenses	(135,564)	
Investment charges	(41,581)	
Quoted investment equalisations	(378)	
		(177,523)
Less allocation to the Trust for Application		(941,000)
Closing value of the Unapplied Total Return		15,857,670
Add value of the Original Gift		8,806,000
<b>Value of the Total Endowment Funds at 31 March 2019</b>		<b>24,663,670</b>

**14 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	390,293	672,409	1,062,702

## NORWICH TOWN CLOSE ESTATE CHARITY

### NOTES TO THE REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2019

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#### 15 CONNECTED CHARITIES AND OTHER RELATED PARTIES

##### (a) Connected Charities

The Charity is connected to Norwich Consolidated Charities, Anguish's Educational Foundation and the Marion Road Centre Trust as defined by the Charity SORP 2015 and is a related party as defined by Financial Reporting Standard 102.

The principal address is the same for all four charities.

Norwich Town Close Estate Charity, Norwich Consolidated Charities and Anguish's Educational Foundation share equally the cost of the administration function based at Woolgate Court.

During the year Norwich Consolidated Charities charged Norwich Town Close Estate Charity £152,523 in costs (2018: £137,733) and Anguish's Educational Foundation charged Norwich Town Close Estate Charity £35,617 (2018: £37,538). Settlements made during the year were £152,444 (2018: £174,079) to Norwich Consolidated Charities and £33,936 (2018: £49,103) to Anguish's Educational Foundation.

At 31 March 2019 a balance of £38,019 was owed to Norwich Consolidated Charities (2018: £37,941) and £12,831 was owed to Anguish's Educational Foundation (2018: £11,151).

##### (b) Other Related Parties

A grant of £nil was made to Peter Mancroft PCC of which Geoff Loades (a Trustee of this Charity) is a Trustee (2018: £10,000).

#### 16 GRANTS TO OTHER ORGANISATIONS

Organisation	Purpose of Grant	Amount £
Creative Nation Ltd	Funding for the CreateNorwich 2035 project	120,340
The Hostry Festival	Funding for the Hostry Festival	4,000
Friends of Bungay Community Library	Funding for the new 'reading cave'	5,207
Norwich City Table tennis Club	Funding towards cost of blinds in the school hall	2,300
The Smallpiece Trust	Funding for 5 STEM days and an Engineering Day	8,500
Costessey Jets	Funding towards the running costs of the club	9,395
Norfolk Archives & Heritage Development Foundation	Funding to promote work of NORAH	8,000
The Triorca Trust	Funding to young people who have financial hardship	5,000
Stalham Brass Band	Funding for Capital equipment and staffing costs	7,500

**16 GRANTS TO OTHER ORGANISATIONS (CONTINUED)**

Norfolk & Norwich Scope Association	Funding to run the Milestones project	5,000
Mile Cross Primary School	Funding for Early Years Outdoor Play Area	24,449
Home Group Limited	Funding towards staff salaries, venue hire, travel costs and project overheads	13,300
The Hamlet Centre Trust	Funding salary costs for the Communication and Behavioural Development worker	5,000
The friends of Kinsale Junior School	Funding towards a new sever, various licences, installation and laptops for the children	10,000
Villiers Park Educational Trust	Funding for specialised 3-day residential courses for 110 young people	20,000
Catton Grove Primary School	Funding to coach tennis to individuals and groups, travel, tournament fees and equipment	6,800
ToylikeMe	Funding to alleviate friendship barriers and promote inclusion of disabled children through play	4,000
Norwich Puppet Theatre	Funding towards artistic fees, project management, a creative learning co-ordinator, leader wages and lighting equipment	5,000
The Wherry Friends Association	Funding for a water play zone at the school for autistic children	9,500
Creative Nation Ltd	Funding towards the 'Talking Statues Norwich' project	5,000
Young Norfolk Arts Trust	Funding for artist fees and materials to deliver workshops, freelance coordination of the Reconnecting Norfolk project and publicity	1,910
Into Opera	Funding to create 'Gobbolino' a new professional opera	17,311
St Johns Community Primary School	Funding for the leveret's new nest when it returns to the school	1,500
Norfolk Summer Deaf Festival	Funding to educate the public to see deafness in a positive light by showcasing achievements of deaf people at the Summer Deaf Festival	5,728

## NORWICH TOWN CLOSE ESTATE CHARITY

### NOTES TO THE REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2019

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#### 16 GRANTS TO OTHER ORGANISATIONS (CONTINUED)

Total Ensemble Theatre Company	Funding towards the Theatre production of 'Boy in the Lighthouse'	5,000
Potters House Norwich	Funding to convert a room, refurbish and equip it into a music studio in The ONE80	7,500
New Routes Integration	Funding for the Norwich Integration Partnership	7,144
Norfolk Museums Development Fund	Funding for Gateway to Medieval England project	100,000
1 <sup>st</sup> Blofield & Brundall Sea Scouts	Funding for replacement structure of non-slip walkways	5,000
Arden Grove Infant School	Funding for play equipment and landscaping	5,000
Assist Trust	Funding to support the Independence Support Scheme running costs	5,000
Banham Community Primary School	Funding for replacement staging	3,500
CAST Education	Funding towards the 'Top Class in Science' project	5,000
East Anglian Brass Band	Funding for EABBA Brass for Youth 2019	5,307
East Anglian Air Ambulance	Funding for delivery of CPR/Defibrillator training sessions	9,750
Grapes Hill Community Garden	Funding towards the purchase of an accessible toilet and salaries	5,000
Home Education Sports	Funding for PE and team building activities	3,040
Into Opera	Funding to introduce an Opera Festival in Norwich	15,050
Lost in Translation Circus	Funding towards free tickets and free activities for underprivileged groups	5,000
Love Dereham	Funding to provide a listening post to support local individuals	4,120
Mancroft Advice Project	Funding to support 2 transgender support groups	6,000
Mancroft Advice Project	Funding to assist with support groups for young dads	10,000

# NORWICH TOWN CLOSE ESTATE CHARITY

## NOTES TO THE REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2019

### 16 GRANTS TO OTHER ORGANISATIONS (CONTINUED)

Marsham Parochial Church Council	Funding for a multi-use open area in the church	5,000
Morley Youth Football Club	Funding to purchase 2 storage containers	7,130
Neatishead VC Primary School	Funding to send a balloon into space with a camera and GPS tracker	900
New Routes Integration	Funding towards the running of the Mixed Martial Arts Club	2,400
Norfolk & Norwich Community Arts (NORCA)	Funding to support Teen Sistema	10,000
Norfolk & Suffolk NHS Foundation Trust	Funding to provide respite for carers	3,500
Norwich Cathedral	Funding towards the 'They Shall laugh & Sing'	25,000
Museum of Norwich and Stranger's Hall	Assistance with Free Days to visit Museum of Norwich and Stranger's Hall	13,100
Salhouse Primary VC School	Funding to buy ipads, headphones and ipad trolley	5,700
Swanton Morley Parochial Church Council	Funding to purchase and install Memorial Bells and equipment to the church	3,007
The Common Lot	Funding for the project in film 'Anglia Square: A Love Story'	5,000
The Prince's Trust	Funding towards the project 'Get Started with Theatre'	7,500
ToyLikeMe	Funding to pilot The Toy Box Tales on the Road programme	5,000
Yare Valley Churches	Funding to purchase a Wheelchair Accessible Vehicle	5,000
Young Norfolk Arts Trust	Funding for the Visual Arts Project	5,000
		614,388
Prior year grants cancelled	Norvikingar Viking re-enactment	(750)
<b>Total for 2019</b>		<b>£613,638</b>
<b>Total for 2018</b>		<b>£534,023</b>

# NORWICH TOWN CLOSE ESTATE CHARITY

## NOTES TO THE REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2019

### 17 SOFA - PREVIOUS YEAR COMPARATIVES

	Note	Unrestricted funds £	Endowment funds £	Total 2018 £	Total 2017 £
<b>Income and endowments from:</b>					
Investments					
- Rental income	1	-	480,748	480,748	519,086
- Interest receivable	2	2,067	-	2,067	711
- Dividends and Rebates	2	41,143	384,722	425,865	417,953
<b>Total income</b>		<b>43,210</b>	<b>865,470</b>	<b>908,680</b>	<b>937,750</b>
<b>Expenditure on:</b>					
Raising funds					
- Property expenses	1	-	(144,150)	(144,150)	(75,209)
- Investment charges		(4,800)	(44,880)	(49,680)	(47,477)
Charitable activities					
- Grants payable and related costs	3	(869,462)	-	(869,462)	(867,915)
Other	4	(34,940)	-	(34,940)	(37,059)
<b>Total expenditure</b>		<b>(909,202)</b>	<b>(189,030)</b>	<b>(1,098,232)</b>	<b>(1,027,660)</b>
<b>Sub total</b>		<b>(865,992)</b>	<b>676,440</b>	<b>(189,552)</b>	<b>(89,910)</b>
Net Realised gains/(losses) on investments					
- Quoted Investments disposal		4,734	44,265	48,999	9,691
- Quoted Investments equalisations		-	-	-	(4,325)
- Property disposal		-	-	-	190,756
<b>Net (expenditure)/ income</b>		<b>(861,258)</b>	<b>720,705</b>	<b>(140,553)</b>	<b>106,212</b>
<b>Transfer between funds</b>		<b>914,000</b>	<b>(914,000)</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains/(losses):</b>					
Gains/(losses) on revaluation of assets					
- Quoted Investments	8(d)	3,551	33,203	36,754	1,227,092
- Properties	8(b,c)	-	450,800	450,800	118,000
<b>Net movement in funds</b>		<b>56,293</b>	<b>290,708</b>	<b>347,001</b>	<b>1,451,304</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	12, 13	1,477,781	23,952,082	25,429,863	23,978,559
<b>Total funds carried forward</b>		<b>1,534,074</b>	<b>24,242,790</b>	<b>25,776,864</b>	<b>25,429,863</b>