

# The Enrolled Freemen of the Borough of Great Grimsby

Annual Report and Financial Statements

for the Year Ended 28 February 2019



# **The Enrolled Freemen of the Borough of Great Grimsby**

## **Contents**

Reference and Administrative Details	1
Chairmans report	2 to 4
Trustees' Report	5 to 10
Statement of Trustees' Responsibilities	11
Independent Auditors' Report	12 to 13
Statement of Financial Activities	14 to 15
Balance Sheet	16
Cash Flow Statement	17
Notes to the Financial Statements	18 to 32



# **The Enrolled Freemen of the Borough of Great Grimsby**

## **Reference and Administrative Details**

<b>Charity Registration Number</b>	219207
<b>Trustees</b>	S P White, Chairman R A Bellamy R E Cullum S J Meller H A North T North (appointed 5 June 2018) D Pearce E J Pywell E Sherriff J R Steer S T Wakefield
<b>Clerk (Solicitor)</b>	Jonathan Goolden Cartergate House 26 Chantry Lane Grimsby DN31 2LJ
<b>Treasurer (Chartered Accountant) and Principal Office</b>	Peter S. Fearn 26 South St Marys Gate Grimsby DN31 1LW
<b>Property Surveyor and Valuer (Chartered Surveyor)</b>	Rachel Hobson 19 West St Mary's Gate Grimsby DN31 1LE
<b>Bankers</b>	HSBC Bank plc 55 Victoria Street Grimsby N E Lincolnshire DN31 1UX
<b>Investment Advisers</b>	Brewin Dolphin 1st Floor Olympic House 995 Doddington Road Lincoln LN6 3SE
<b>Auditors</b>	Weaver Wroot Burlington House 28 Dudley Street Grimsby DN31 2AB



# The Enrolled Freeman of the Borough of Great Grimsby

## Chairmans report

I started my report last year by discussing the changes that had occurred with our Clerks position. This year it is the turn of our Treasurer, Peter Fearn, who is having to relinquish his post owing to increased responsibilities at his firm following the retirement of a senior partner. We are fortunate that Peter has been able to nominate a colleague, Carrie Jensen, who is very experienced in charity matters, to take over but has offered to continue to give us the benefit of the knowledge he has acquired over the last ten years.

Other than that, I would have to say that it has been pretty much business as usual since February 2018....with the added interest of knocking down a 1960's shopping precinct.

The Business and Digital Hub, officially opened in January 2014, is now home to a number of varied tenants, some businesses and some having charitable objectives working with the unemployed or those who find themselves living on the margins of society. At the time of writing we have gone from recently being completely full to having just one vacant unit, which is very pleasing since we knew that it would take some time to reach this position. Rooms, including the large seminar room on the ground floor which opens out onto the market, are being used regularly for training purposes, video-conferencing, general meetings, our Saturday Kid's Club and the GAP Theatre activities and special events such as art exhibitions and others during the Christmas period. Our tenants include Forefront Training, Cloverleaf Advocacy, Invento Software, The Oven Cleaner, Cat Zero, Freewheelin' Web Design, Attendance Matters, Independent Mortgage Advice Centre, Standguide, Bridge Friends, Glyn Atkinson Safety Services and Flourish.

The Pastures Development Company Ltd. (PDC), a wholly-owned subsidiary, continues its' role of the management and promotion of The Hub and any other initiative which otherwise might fall outside of the purely charitable objectives of the Enrolled Freeman. The PDC comprises four Directors drawn from the Pastures Committee, Sara Meller, Richard Bellamy, Stephen Wakefield and myself, and we meet regularly as a group and with our Clerk and Treasurer on a monthly basis. There is a Facebook Page at <https://www.facebook.com/The-Pastures-Development-Company-of-the-Enrolled-Freemen-of-Grimsby-170951346435206> or just search for The Pastures Development Company.

Renovation and improvements to the market generally have been on-going so that all of the stalls receive a makeover. These improvements are almost complete and have been greatly appreciated by traders and shoppers alike but we have struggled to let all of the stalls as falling footfall has affected a number of businesses; we also see levels rise and fall at various times during the year. All of the Solar PV panels on the roof are now working to their full potential.

During the year admissions to the Freedom were slightly less than those removed with the result that the number of Freeman on the Roll now stands at 948, (was 985 last year). I, along with Stephen Wakefield, (Vice-Chairman), and Jonathan Goolden, (Clerk), attended the Admission Courts last year and will continue to do so in order to add to the sense of ceremony of the occasion.

**I would remind you that the result of the Ballot, held in 2017, under the provisions of the "Local Democracy, Economic Development and Construction Bill (HL)" was in favour of admitting women who marry sons of Freeman to the Roll in the same way that men who marry daughters of Freeman are so admitted.**

Please encourage **all** members of your family to apply for Admission if you think that they may be eligible. It is not the case that only the first-born can apply, admission is open to all children, including legally adopted children, of Freeman parents – father or mother and **previously admitted widows** of Freeman can now apply in their own right.

I would like to thank all members of the Pastures Committee, The Pastures Development Company, and Freeman Street Regeneration Ltd for their diligence and hard work over the last year. **We do have several vacancies though that we urgently need to fill** on the Committee, to be elected at the AGM, and it will be up to you, the Freeman of Grimsby, to decide who the fourteen will be since the entire Committee has to be elected annually.

There is a list of current Committee Members in the Trustees' Report together with the number of meetings each has attended during the year; this is something that we have always done, without comment. All I would say is, is that a number of our members have to try to fit in around their working arrangements and others around family commitments. Each one makes a valuable contribution to the work of the Committee.



# The Enrolled Freeman of the Borough of Great Grimsby

## Chairmans report

**Our Committee is under strength so it is very important** that at least four Freeman (male **or female**) offer themselves for election this year; we would particularly like to see **more younger** people put themselves forward. Any person whose name is on the Pastures Roll, with the exception of Widows of Freeman, may propose themselves for inclusion on the Committee. If you wish to be considered **please apply, in writing, to The Clerk's Office no later than Wednesday, 29th May**. Please include your full name and brief details of your education and employment history outlining what relevant skills and knowledge you could offer. In the event that we have more than fourteen candidates then a vote will be taken at the AGM, if we have the exact number required then they will be automatically appointed. Nominations from the floor cannot be accepted on the day, nor co-options afterwards.

This is a very exciting time to be a part of the committee as we are very involved in the future development of Freeman Street and the surrounding area.

It is now eleven years since I first wrote about the plans for the regeneration of Freeman Street. The report of EC Harris, which was commissioned by North East Lincolnshire Council, is a public document and the NELC Cabinet have adopted the Report and Plan as one of their Primary Regeneration Projects. Most of you will be aware that Shoreline Housing Partnership have merged with Boston Mayflower producing Lincolnshire Housing Partnership and have been preoccupied restructuring their services over the last year. The demolition of the high-rise flats and Comber Place was completed last year and by the time you read this report we shall have similarly demolished the northern block of the Freeman Way Shopping Centre. The Chief Executive of LHP has indicated that the former high-rise flats site may be looked at in conjunction with our site in any redevelopment plans and no doubt you will have seen the various reports in the Grimsby Telegraph as to what "might" be built there. There is a long way to go though but we continue to enjoy a very positive relationship with the Council and we are delighted to have been offered this opportunity to work alongside them and their investors in what may be viewed as a spin-off to the Town Deal arrangements. This has meant that those of us from the Committee, as Trustees, have had to put additional time in to attend the various meetings, and to carry out research etc., along with our Clerk, Treasurer and Surveyor. We would not have achieved a fraction of what we have without their willingness and, again, I would like to express my gratitude to them on your behalf.

Much has happened since we held the Workshop last April to discuss the future of The Freeman Centre. We thought that we had a possible client and then the interest waned but we are now on the verge of making a joint announcement concerning a new development for the site which will commence just as soon as it is cleared of rubble. This will be presented, for discussion, following the AGM but if you wish to keep up to date with what is happening please see our dedicated Facebook page <https://www.facebook.com/FreemanStRegen/> We have set up a second wholly-owned subsidiary – Freeman Street Regeneration Ltd., again with four directors, to oversee the demolition and redevelopment of this site.

Our general news items may be seen on our Facebook Page, <https://www.facebook.com/EnrolledFreemenofGrimsby/>.

Following the inaugural Charter 1201 Event last year I asked for expressions of interest for a similar social get-together with the December Dividend cheque but there was a very poor response so it didn't go ahead.

We are members of the Grimsby Renewables Partnership and have also been supportive of the Ice Factory/Prince's Regeneration Trust collaboration for the possible positive effects that these could have on the Freeman Street/East Marsh Regeneration.

Turning now to the Financial Activities and, in particular, the Market. Trading conditions continue to be very difficult which hasn't been helped by the loss of the local residents and reduced footfall. It is difficult to compare exactly like for like in each year for a variety of reasons. For example, income from stall rents, The Skills Centre and the Solar PV FIT show some ups-and-downs whilst overall costs have increased, (a large amount of which is depreciation), so that the loss here for the year is greater than the previous year. We have also had to include some of the preliminary costs, and income, associated with The Freeman Centre. The Council's 1/20 share has decreased since it is related to specific elements of income. However, the losses incurred on all trading activities are more than offset by income generated from the sale of ground leases and the increased value of investments which produced a nett increase in the Freeman's Funds of just under £100,000. If you have any specific questions regarding the accounts the Treasurer will be attending the Annual General Meeting to answer them.

The Solar Panels, mentioned earlier, yielded a Feed in Tariff of £32,763 over the year, (£30,590 previously), and also helped to keep our electricity bills down. We haven't applied for any more awards since we haven't added anything further to our installation or extended our other "green" credentials.



# The Enrolled Freemen of the Borough of Great Grimsby

## Chairmans report

The Skills & Craft Centre, also known as "The Courtyard", took a long time to recover from the loss of Minimatt from the recording studio and others. We have now managed to let out the vacant units again but the recording studio was difficult and the new tenants are not using it as a studio but simply as an office suite. The work on converting what was the remainder of the woodworking shop has now been completed to allow GAP Theatre to move in having relocated from The Hub. We lost the Lego Shop, which had been very popular, since the proprietor has moved from the area. The Salon Miro (formerly known as the Buzz Box hairdressers) and Custom-Funky, an outlet for printed mugs, tee-shirts and workwear continue to do well. The whole of the market has Wi-Fi and The Courtyard Cafe, which is under new ownership, have extended their opening hours to non-market days and is very popular with shoppers who like the atmosphere that we have created. We are always open to ideas and suggestions for other possible uses within the Courtyard area. The Courtyard tenants are Custom Funky, Courtyard Café, Restore and Resettle, GAP Theatre Company, The Salon Miro, Be Impressed, Andi Wreaths & More, VSCE Alliance, and Grimsby and Cleethorpes Craft Fairs with current occupancy at 100%.

As with last year, we have once again held market stall rents in an effort to retain our traders until the economy picks up. The stall occupancy rate currently stands at 81%.

Two special events were held last year in The Hub. The first being the Regeneration Workshop, previously mentioned, and the second our Act of Remembrance for Poppy Day on 10th November presided over by our Chaplain, Revd Mary Vickers with The Mayor in attendance and representatives and Standards from various branches of the Uniformed Services and a Bugler and Drummer from the Lincolnshire Regiment Association. The Freemen were represented at the Civic Service at the Minster and a wreath was laid at The Cenotaph on Remembrance Sunday.

**I would repeat my appeal for names that we can include on a permanent memorial to Freemen who have died in service to their country; so far only two names have been put forward, surely there must be others? This appeal is now extended to include those men who would have become Freemen but lost their lives before the age of twenty-one or before they had a chance to be admitted.**

None of this could have been achieved without our dedicated staff and I would like to take this opportunity to thank our General Manager and his team, including our newly recruited apprentice, for their hard work on the Market in helping to transform it and for steadily improving its internal appearance. Those of you with access to the internet may care to visit [www.freemanstreetmarket.co.uk](http://www.freemanstreetmarket.co.uk), or [www.enrolledfreemenofgrimsby.org](http://www.enrolledfreemenofgrimsby.org). In addition, both the Market and The Enrolled Freemen now have Facebook pages so do take a look for the latest news. My thanks, on behalf of the Committee, also go to our Clerk and Treasurer and their respective staff who work most diligently to keep our legal and financial affairs in good order. I would also like, again, to thank the Members of the Committee for the time they have given to the affairs of the Freemen on your behalf.

I would urge you all to support the Market, if you have not seen the improvements we have carried out do go and have a look; I think that you will be surprised.

As has been said in previous reports, if you require any assistance please apply to the Benevolent Fund through either the Clerk or the Treasurer. The criteria for applying to the Fund are, in the case of extreme financial hardship, the payment of a household utility bill, (usually gas or electricity), the replacement/repair of cooking facilities, (e.g. a new basic cooker if your existing one is not able to be repaired, to enable one to keep warm, (e.g. a portable heater), and essential repairs to property. Each case will be considered on its own merits. The Fund is not available for general financial assistance. Please do not be afraid to ask, there were no requests received last year.

If you move home kindly inform either the Clerk or the Treasurer of your new address.

The Annual General Meeting is to be held at **12.00 noon on Monday, 3rd June 2019, at The Hub, Freeman Street Market again this year rather than the Town Hall, please note the change; a hot buffet lunch will be served so please let us know if you will be coming by calling Chris Wilson at the market on Grimsby 426450.** Please make every effort to attend in order that you can elect the new Pastures Committee for the next twelve months and to ask any questions that you may wish to put to the Committee or its' Officials. We shall have a guest speaker who will talk about the plans which are now being put together for the former Freeman Shopping Centre site.

**Stephen P White**

**Chairman**



# **The Enrolled Freemen of the Borough of Great Grimsby**

## **Trustees' Report**

The affairs of the Enrolled Freemen of Grimsby are managed by the Pastures Committee, as trustees of the Charity, and they present their annual report for the year ended 28 February 2019, together with the audited accounts for the year. The accounts have been prepared in accordance with the Charities Act 2011, the Governing Instruments and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016).

### **Pastures Committee (Trustees)**

The Pastures Committee comprised of the following members during the year:

	Meeting Attendances (maximum 11)
S P White (Chairman)	10
R Bellamy	11
R E Cullum	6
S J Meller	10
H A North	7
T North (appointed 5 June 2018)	9
D Pearce	7
E J Pywell	-
E Sherriff	6
J Steer	9
S T Wakefield(Vice Chair)	11

### **Objectives and Activities**

The object of the Charity is to distribute the income generated from the assets held for the benefit of the Enrolled Freemen on the annual Roll.

It is the aim of the Pastures Committee with the assistance of its professional advisers to maximise the income available for distribution to the Enrolled Freemen, whilst also being mindful of the maintenance of the assets of the Charity for the future.

The objectives and aims of the Charity have not changed during the year and further detail of the activities carried out can be seen in the Chairman's Report.

### **Public Benefit**

In planning, setting objectives and determining activities, the Pastures Committee have paid due regard to the Charity Commissions 'General Guidance on Public Benefit'.

The objectives and aims of the Charity are set out above and our achievements in the year have focused on continuing to provide financial benefit in the form of a bi-annual moiety to the Enrolled Freemen of the Borough of Great Grimsby.



# **The Enrolled Freemen of the Borough of Great Grimsby**

## **Trustees' Report**

The aims and objectives of the Charity are clearly defined within the Governing Instruments, previously referred to and compared to the duties and responsibilities of the freemen prior to the Municipal Act of 1835 are much diminished. Before 1835 the freemen had the total responsibility for providing the local government and voting in elections. We do, however, still hold and manage vast areas of land acquired prior to 1835 and one such area is within the East Marsh where our market is situated. The East Marsh Ward has historically been in the top 5 worst deprived wards in the whole of Europe, Government statistics are damning and the area remains in dire need of urgent regeneration. It would not be in the interests of the Enrolled Freemen to be left managing an area of dereliction. It is for this reason that we initially embarked upon The Freemen's Community and Craft Project within the market, working with partners to start and tackle the issues of worklessness in the area and, on a much larger scale, why we continue to actively work with the Local Authority and Lincolnshire Housing Partnership (formerly Shoreline Housing Partnership) on the broader issues of regeneration in order to ensure that we create a thriving and sustainable community for the future. It is also for this reason why an application was made to the ERDF and funding acquired for the creation of the Business Hub that is now complete and occupies what was a vacant, semi-derelict area of the Market building. It is also the reason why the trustees applied for and were granted ownership of the block of semi-derelict land on Freeman Street to the north of the Market, now referred to as the Freeman Centre, with a view to this being an important part of the future regeneration of the East Marsh. This takes the Freemen back to the very heart and soul of their original purpose as set out in the town's first Royal Charter of 1201, to be of public service and benefit.

### **Achievements and Performance**

One of the challenges for this year continued to be the effective letting and management of the Business and Digital Hub within the north east corner of the market. With the majority of the eighteen units having been let during the year, the focus is now on raising the level of rents as reviews and opportunities arise.

Although the Hub continued to be loss making for the year, the directors remain focussed on the letting and management of the Hub in order that the PDC be in a position to provide the Freemen with a return on this investment, although this is unlikely for the foreseeable future.

The Hub is included on the Freemen's balance sheet as Programme Related Investment in subsidiary undertaking.

Although investments are primarily held to provide an investment return for the Charity, the trustees would class this particular regeneration project as a Programme related investment. Although it should generate some financial return, the primary motivation, as described in the 2015 accounts, is to further the object of the Charity in the longer term. This is achieved by investing in the East Marsh Ward to encourage and facilitate regeneration on a wider scale, to ensure that the improvement of the community is reflected in maintaining and hopefully raising the future value of the Charity's freehold land and thereby securing a future income stream appropriate to the value of that asset.

The principal sources of income of the Charity remain the investment properties, the quoted investments and Freeman Street Market.

The net income receivable from investment properties has increased by approximately £6,000 during the year, mainly due to a small increase in ground rents receivable as older leases are renewed. It was deemed prudent in the year to provide for the remainder of the historical ground rent debtors which have been carried forward for some years now, resulting in a write off totalling almost £7,000 in the year. A local firm of solicitors continue to assist with the recovery of any overdue debts in respect of ground rents. At the year end the ground rent debtor has reduced from £44,181, after the bad debt provision, to £29,769. This represents the improved credit control in place.

The income from quoted investments remained fairly consistent in the year, with a reduction of just 2% to £49,595.

Sundry investment income, which historically has principally been interest received on monies held on deposit, amounted to just £129 reflecting the continued minimal return received on cash balances. Funds held at the year-end have decreased from £156,000 to £117,000 as cash has been employed on the ongoing regeneration of the Freeman Centre site.

Further detail of the charity's achievements and performance can be found in the Chairman's Report.



# **The Enrolled Freeman of the Borough of Great Grimsby**

## **Trustees' Report**

The value of the Charity's quoted equity investments including cash held by the broker, increased by £45,285 or 2.4% as at 28th February 2019 compared to the previous year end. Global stock markets were much more volatile in the accounting period than they have been in recent years. The total return of the WMA Balanced Index benchmark over the same time was 2.76%, as index levels fell sharply during the final quarter of 2018 before beginning to rise again in early 2019. The portfolio continues to yield around 2.6% per annum in line with expectations.

In the previous nine years we reported on funds that we had deposited with Kaupthing Singer and Friedlander Bank (a UK bank that entered Administration as a result of the failure of its Icelandic parent). Although the House of Commons Treasury Committee recommended that "all charities should be compensated for losses incurred as a consequence of the failures of the Icelandic Banks" the Government decided not to follow its Committee's recommendation. So despite valiant efforts by various charity pressure groups (there are many charities similarly affected) our redress was limited to proving as a creditor in the Bank's administration. Whilst this is inevitably a time consuming process we have now recovered £345,073 being 87.9% of the original capital including the £9,500 FCA payment described below. It is now unlikely that we will receive any further material sums as the administration comes to a close. An impairment provision of £235,738 being 60% of the balance invested was included in the 2009 accounts which has now been reduced to 12.1%, £47,725 being the amount unrecovered at the year end.

During the 2015 year, the Financial Conduct Authority (FCA) made an offer of payment of compensation in relation to the default of Kaupthing Singer and Friedlander Limited. The offer of a sum equivalent to the compensation that we would have received from the Financial Services Compensation Scheme had our original claim been allowed was accepted by the Trustees and a payment of £9,500 plus £2,152 as compensation for late payment, was received in the 2016 year.

As in recent years, Markets throughout the UK are continuing to experience tough trading conditions. As seen at notes 4 and 7, Freeman Street Market is no exception.

We have previously looked to address the historic reduction in stall occupancy and rents by implementing a general improvement programme together with increased marketing of the Market and, following the completion of the final phase of stall renewals in 2015, we saw an improvement in occupancy levels and rent receipts with the trustees having created a much improved retail environment. Unfortunately the clearance of Cumber Place and the vacating of the tower blocks at the rear of the Market has severely reduced the local population that previously frequented the Market. As a consequence, there has been a decline in visitor footfall over the last two years resulting in an increased turnover of stallholders, with income from stall rents reducing by almost £11k (6%).

The investment in renewable energy with four previous installations of solar panels has resulted in the Market benefitting from Solar Feed in Tariff income of £32,763 in the year, and a continuing saving on market electric costs of approximately £13,000 from the use of self-generated power.

The Skills Centre remains an important element of the redevelopment of the Market, and increased occupancy has caused an increase in income of £4,600, or 25%.

It continues to be our intention to put the Market right in the centre of the community and for the Business Hub, Skills Centre and the original Market to complement and 'feed' off each other both economically and socially. We still hope the updated Market Site will encourage our regeneration partners (Lincolnshire Housing Partnership and NELC) and private developers to further invest in the area for the benefit of our Estate as a whole. Only by having taken such steps do we have any hope of stemming decades of economic decline and ensuring economic and social renewal for the benefit of future generations of Freeman.

The Pastures Committee would like to express its thanks to the General Manager and Market Superintendent for their endeavours during the year.

### **Financial Review**

Overall, the net income on unrestricted funds, before transfers, was £27,429 (2018: £62,720), as set out in the Statement of Financial Activities.



# **The Enrolled Freemen of the Borough of Great Grimsby**

## **Trustees' Report**

The reduction in net income in recent years, compared to what was achieved historically, has obviously continued to have an effect on the distributions and the Treasurer announced in November 2018 that the distributions to the Enrolled Freemen in December 2018 and May 2019 would amount to £19.39 for each distribution, compared to £20.25 for the previous year's distributions. The calculation of the amount available for distribution is based on the strict receipts and payments of the Charity in the year ended 31st October. The number of Enrolled Freemen on the Roll for 2018/19 reduced slightly in comparison with the previous year from 985 to 948.

The Charity does though remain in a sound financial position as evidenced by the total funds held as at 28 February 2019 increasing from £7,117,451 to £7,217,069, after accounting for unrealised gains of £52,647 on the quoted investment portfolio and including the value of the freehold estate, as noted below.

Previously, the fixed assets of the Charity have been valued appropriately, as detailed in the Accounting Policies, with the exception of the remainder of the original land acquired in 1849, which has been included at a nominal value of £1,000 with the agreement of the Charity Commission. It was previously felt that the cost of having this land professionally valued on an annual basis would be worthwhile in the context of the Charity's Accounts and as such, for the 2016 accounts, the Property Surveyor to the Enrolled Freemen was asked to value this original land, being the Freemen's commercial and residential freehold estate mainly situated within the East Marsh. The Trustees are satisfied that a valuation of £2,625,000 dating from 2013 is still appropriate, subject to receipt of an updated valuation which is currently in progress and should be available for the 2020 accounts.

The trustees had also previously asked the Property Surveyor to assist with a programme of residential freehold disposals to unlock the value within these, which was not represented by the small amounts of ground rent basis received. The trustees felt that they could better utilise the funds generated from the disposal of the residential freehold reversions towards achieving their main objectives and aims. As a consequence the trustees were successful in disposing of six freehold reversions during the year, which realised consideration of £79,345. The trustees are hopeful that more disposals can be made in the current year.

The trustees' investment policy is to take appropriate professional advice before any purchase or sale of assets or other investments are considered. The Property Surveyor advises on all matters in connection with the land and properties owned, and he also advises on the suitability of any prospective land and property purchases. The Discretionary Investment Manager manages the investment portfolio, endeavouring to achieve a balance between capital growth and income producing investments, whilst having regard to the interests of both present and future Enrolled Freemen.

As a consequence of the ongoing volatile market conditions and an increase in investment management charges and as reported in the 2016 year, the trustees previously handed responsibility for the management of the quoted investment portfolio to their Investment Advisers, Brewin Dolphin who are now engaged on a full discretionary management basis.

The Pastures Committee does not have a specific reserves policy because all unrestricted funds other than the specifically designated special repair fund are required to be paid to the Enrolled Freemen on the Roll, by way of the bi-annual moiety. The balance of the special repair fund was fully utilised in the 2010/11 year to assist with the funding of the ongoing market improvement programme. Previously, the trustees considered that the fund had been utilised for its intended purpose; having assisted with funding the on-going repair programme for the Market. With the previous receipt of the substantial rates refund, the trustees had considered it appropriate to replenish the special repair fund and agreed to transfer an amount of £144,000 from the General funds as at 29 February 2013, which used the allowances available for 2004/05 to 2012/13.

Following a transfer for the 2013/14 year and the allocation of stall renovation costs in 2013/14, the trustees consider the balance at 28th February 2019 of £82,578, unchanged from the previous year end, to be sufficient, especially in light of the extensive market renovations that have taken place in recent years.

### **Risk Management**

The Pastures Committee regularly monitors the risks to which the Charity is exposed, with the assistance of its advisers, to ensure that all risks are mitigated as far as possible. The General Manager carries out a regular risk review of all aspects of the operation of Freeman Street Market. The Business Hub is operated through the Pastures Development Company and the General Manager also carries out regular risk reviews of this operation.



# **The Enrolled Freeman of the Borough of Great Grimsby**

## **Trustees' Report**

### **Plans for Future Periods**

The Pastures Committee is committed to maintaining the assets currently held for the benefit of current and future Enrolled Freeman and to increase the annual amount available for distribution.

The current year, 2019/20, will continue to focus on improving and managing the recently acquired block of land to the north of the market. Charities Commission approval has been obtained to transfer the land to a wholly owned subsidiary company, Freeman Street Regeneration Limited, whose directors will manage this site, with the best interests of the Enrolled Freeman in mind. Since the year end there has been significant demolition work on this site, and the future prospects for use of this land are looking very exciting.

In addition to this, the charity will focus on improving the results of the Market and improving the rent rate of the Business and Digital Hub, whilst reducing associated costs within the Market and Hub.

### **Structure, Governance and Management**

#### **Governing Instruments**

The governing instruments of the Charity are the Grimsby Pastures Acts 1849 and 1949 as amended by the Humberside Act 1982. The Enrolled Freeman of Grimsby is registered as a charity with the Charity Commission for England and Wales under its full charitable name of Grimsby Pastures for the Benefit of the Enrolled Freeman of Grimsby.

#### **Appointment, Induction and Training of the Pastures Committee.**

The Pastures Committee is elected annually at the Annual General Meeting, and additional members may be co-opted during the year, if the Pastures Committee deems the appointment to be appropriate.

New trustees are inducted at their first Pastures Committee meeting when the operation of the Charity is explained to them. They are also given copies of the minutes of previous meetings and relevant Charity Commission publications.

New trustees are familiar with the annual accounts as they are required to be Enrolled Freeman on the current Roll when they are appointed and whilst they serve on the Pastures Committee.

#### **Organisational Structure**

The Pastures Committee meets eleven times during the year on the third Tuesday of each month, except in August, when there is no meeting. The Committee is responsible for the strategy and policies of the Charity. The Clerk and the Treasurer assist with the day to day running of the Charity and also attend and report to the Pastures Committee meetings. It is the view of the trustees that there are no key management personnel other than the members of the Pastures Committee.

All members of the Pastures Committee give their time freely and no remuneration is paid by the Enrolled Freeman to any trustee. The directors of the Pastures Development Company Limited, who are also members of the Pastures Committee, raise fee invoices in respect of work undertaken as disclosed in note 11 to these accounts.

There are three sub-committees of the Pastures Committee, the Estates Committee and Finance Committee and the Market Committee, which meet on an as required basis during the year. Each sub-committee consists of members of the Pastures Committee and reports to the Pastures Committee meeting immediately following the sub-committee meeting. The Estates Committee monitors the properties owned by the Enrolled Freeman and receives advice from the Property Surveyor, the Clerk and the Treasurer, as appropriate. The Finance Committee oversees the finances, accounts and investments of the Enrolled Freeman and mainly receives advice from the Treasurer and the Investment Advisors. The Market Committee oversees the running of Freeman Street Market, Grimsby and the day to day running thereof is delegated to the General Manager who also attends and provides a report to each Pastures Committee meeting.



# **The Enrolled Freeman of the Borough of Great Grimsby**

## **Trustees' Report**

The Charity has previously formed a wholly owned subsidiary company named the Pastures Development Company Limited (PDC). As advised in previous reports, this company was required to be formed as part of the application process for the European Regional Development Fund (ERDF) funding. The directors of this company are all members of the Pastures Committee and report directly to the Pastures Committee. With the ERDF funding having been previously approved and work on the construction of the Business Hub having been completed, the continued management and letting of the Hub has required that the directors have and continue to meet on a regular basis together with their fixed monthly meetings on the first Tuesday of each month.

The Charity has another wholly owned subsidiary called Freeman Street Regeneration Limited, which is currently dormant. As detailed above, this subsidiary company will own and manage the Freeman Centre site. The directors of this company are common with the PDC and are already meeting on a regular basis to manage the demolition and redevelopment of the site. As with the PDC, the directors also attend fixed monthly meetings on the first Tuesday of every month.

Approved by the Pastures Committee on 16 April 2019 and signed on its behalf by:

.....

**S P White**

**Chairman**



## **The Enrolled Freemen of the Borough of Great Grimsby**

### **Statement of Trustees' Responsibilities**

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources 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;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that 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 applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees 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.

Approved by the trustees of the charity on 16 April 2019 and signed on its behalf by:

.....  
S P White  
Chairman



## **The Enrolled Freemen of the Borough of Great Grimsby**

### **Independent Auditors' Report to the Members of The Enrolled Freemen of the Borough of Great Grimsby**

#### **Opinion**

We have audited the financial statements of The Enrolled Freemen of the Borough of Great Grimsby (the 'charity') for the year ended 28th February 2019 which comprise the Statement of Financial Activities, the Balance Sheet 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 (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 28th February 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 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 Auditors 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 annual report, other than the financial statements and our Report of the Independent Auditors 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.



## **The Enrolled Freemen of the Borough of Great Grimsby**

### **Independent Auditors' Report to the Members of The Enrolled Freemen of the Borough of Great Grimsby**

#### **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 Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- sufficient accounting records have not been kept; 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, 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.

#### **Our 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 a Report of the Independent Auditors 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 Report of the Independent Auditors.

#### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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.

Weaver Wroot  
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006  
Chartered Certified Accountants  
Statutory Auditors  
28 Dudley Street  
Grimsby  
N E Lincolnshire  
DN31 2AB

Date: 24th April 2019



# The Enrolled Freeman of the Borough of Great Grimsby

## Statement of Financial Activities for the Year Ended 28 February 2019

		Unrestricted funds		Endowment funds	Total 2019	Total 2018
	Note	Designated £	General £	Expendable £	£	£
<b>Income and Endowments from:</b>						
Freeman Centre	2	10,072	77,555	-	87,627	-
Income from investment properties	3	-	160,647	-	160,647	154,696
Trading activity - Freeman Street Market	4	-	250,619	-	250,619	256,264
Interest receivable and similar income	5	-	129	-	129	67
Other income from fixed asset investments	5	-	49,595	-	49,595	50,620
Gains on disposal of tangible assets held for charity's own use	6	-	-	-	-	250
<b>Total Income</b>		<b>10,072</b>	<b>538,545</b>	<b>-</b>	<b>548,617</b>	<b>461,897</b>
<b>Expenditure on:</b>						
Freeman Centre	7.1	-	(71,317)	-	(71,317)	-
Freeman Street Market	7	-	(365,202)	-	(365,202)	(337,014)
Investment management costs	8	-	-	(20,971)	(20,971)	(24,480)
Investment properties	9	-	(36,288)	(5,360)	(41,648)	(25,722)
Support costs	10	-	(35,210)	-	(35,210)	(31,393)
Share of NELC income		-	(3,099)	-	(3,099)	(4,798)
Restricted fund expenditure	20	-	-	-	-	(420)
Unclaimed dividends paid	20	-	-	-	-	(580)
Dividends payable	20	(35,973)	-	-	(35,973)	(45,467)
<b>Total Expenditure</b>		<b>(35,973)</b>	<b>(511,116)</b>	<b>(26,331)</b>	<b>(573,420)</b>	<b>(469,874)</b>
Realised gains on investment properties		-	-	79,345	79,345	42,550
Realised gains/(losses) on quoted investments		-	-	7,771	7,771	(2,257)
Revaluation of quoted investments		-	-	52,647	52,647	126,771
<b>Net (expenditure)/income</b>		<b>(25,901)</b>	<b>27,429</b>	<b>113,432</b>	<b>114,960</b>	<b>159,087</b>
Gross transfers between funds		37,317	(37,317)	-	-	-
<b>Other recognised gains and losses</b>						
Release of impairment provision		-	-	861	861	4,304
Revaluation of Programme related investment in subsidiary		-	-	(16,203)	(16,203)	(16,740)
<b>Net movement in funds</b>		<b>11,416</b>	<b>(9,888)</b>	<b>98,090</b>	<b>99,618</b>	<b>146,651</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		107,049	139,353	6,871,049	7,117,451	6,970,800
Total funds carried forward	20	118,465	129,465	6,969,139	7,217,069	7,117,451



# The Enrolled Freeman of the Borough of Great Grimsby

## Statement of Financial Activities for the Year Ended 28 February 2019

		Unrestricted funds		Restricted funds	Endowment funds	Total
	Note	Designated £	General £	funds £	Expendable £	2018 £
<b>Income and Endowments from:</b>						
Income from investment properties	3	-	154,696	-	-	154,696
Trading activity - Freeman Street Market	4	-	256,264	-	-	256,264
Investment income	5	-	50,687	-	-	50,687
Gains on disposal of tangible assets held for charity's own use	6	-	-	-	250	250
Total Income		-	461,647	-	250	461,897
<b>Expenditure on:</b>						
Freeman Street Market	7	-	(337,014)	-	-	(337,014)
Investment management costs	8	-	-	-	(24,480)	(24,480)
Investment properties	9	-	(25,722)	-	-	(25,722)
Support costs	10	-	(31,393)	-	-	(31,393)
Share of NELC income		-	(4,798)	-	-	(4,798)
Restricted fund expenditure	20	-	-	(420)	-	(420)
Unclaimed dividends paid	20	(580)	-	-	-	(580)
Dividends payable	20	(45,467)	-	-	-	(45,467)
Total Expenditure		(46,047)	(398,927)	(420)	(24,480)	(469,874)
Realised gains on investment properties		-	-	-	42,550	42,550
Realised gains/(losses) on quoted investments		-	-	-	(2,257)	(2,257)
Revaluation of quoted investments		-	-	-	126,771	126,771
Net (expenditure)/income		(46,047)	62,720	(420)	142,834	159,087
Gross transfers between funds		46,062	(46,062)	-	-	-
<b>Other recognised gains and losses</b>						
Release of impairment provision		-	-	-	4,304	4,304
Revaluation of Programme related investment in subsidiary		-	-	-	(16,740)	(16,740)
Net movement in funds		15	16,658	(420)	130,398	146,651
<b>Reconciliation of funds</b>						
Total funds brought forward		107,034	122,695	420	6,740,651	6,970,800
Total funds carried forward	20	107,049	139,353	-	6,871,049	7,117,451



# The Enrolled Freemen of the Borough of Great Grimsby

## (Registration number: 219207) Balance Sheet as at 28 February 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Goodwill	14	2,000	3,000
Tangible assets	15	3,410,948	3,459,251
Programme related investments in group undertakings and participating interests	16	1,023,755	1,039,958
Other investments	16	1,892,188	1,885,487
Cash held as part of quoted investment portfolio	16	53,083	14,499
		<u>6,379,974</u>	<u>6,399,195</u>
Debtors	17		
- due within one year		406,294	170,703
- due after one year		444,678	526,728
Cash at bank and in hand		117,120	156,227
		<u>968,092</u>	<u>853,658</u>
<b>Creditors: Amounts falling due within one year</b>	18	<u>(132,997)</u>	<u>(138,402)</u>
<b>Net current assets</b>		<u>835,095</u>	<u>715,256</u>
<b>Net assets</b>		<u>7,217,069</u>	<u>7,117,451</u>
<b>Funds of the charity:</b>			
<b>Endowment funds</b>		<u>6,969,139</u>	<u>6,871,049</u>
<b>Unrestricted income funds</b>			
Designated funds	20	118,465	107,049
General funds		129,465	139,353
Total unrestricted funds		<u>247,930</u>	<u>246,402</u>
<b>Total funds</b>	20	<u>7,217,069</u>	<u>7,117,451</u>

In accordance with the engagement letter dated 20 February 2018, the Pastures Committee, acting as Trustees of the Charity, approve the unaudited financial statements which comprises the Statement of Financial Activities, the Balance Sheet and the related notes.

We acknowledge our responsibility for the unaudited financial statements, including the appropriateness of the accounting basis as set out in note 1, and for providing Forrester Boyd with all information and explanations necessary for its compilation.

The financial statements on pages 14 to 32 were approved by the trustees, and authorised for issue on 16 April 2019 and signed on their behalf by:

.....  
S P White  
Trustee



**The Enrolled Freeman of the Borough of Great Grimsby**  
**Cash Flow Statement for the Year Ended 28 February 2019**

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash income		99,618	146,651
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation	7	56,612	55,172
Amortisation	7	1,000	1,000
Investment income	5	(49,724)	(50,687)
(Profit)/loss on disposal of investments		(7,771)	2,257
Revaluation of investments		<u>(36,444)</u>	<u>(110,031)</u>
		63,291	44,362
<b>Working capital adjustments</b>			
Increase in debtors	17	(153,541)	(187,412)
(Decrease)/increase in creditors	18	<u>(5,405)</u>	<u>63,870</u>
Net cash flows from operating activities		<u>(95,655)</u>	<u>(79,180)</u>
<b>Cash flows from investing activities</b>			
Interest receivable and similar income	5	129	67
Purchase of tangible fixed assets	15	(8,309)	(18,351)
Purchase of investments	16	(390,520)	(268,884)
Sale of investments		444,237	279,472
Income from dividends	5	49,595	50,620
Movement in cash investment deposit		<u>(38,584)</u>	<u>4,393</u>
Net cash flows from investing activities		<u>56,548</u>	<u>47,317</u>
Net decrease in cash and cash equivalents		(39,107)	(31,863)
Cash and cash equivalents at 1 March		<u>156,227</u>	<u>188,090</u>
Cash and cash equivalents at 28 February		<u><u>117,120</u></u>	<u><u>156,227</u></u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Decrease in cash		(39,107)	(31,863)
Net funds at 1 March 2018		<u>156,227</u>	<u>188,090</u>
Net funds at 28 February 2019		<u><u>117,120</u></u>	<u><u>156,227</u></u>

All of the cash flows are derived from continuing operations during the above two periods.



# **The Enrolled Freemen of the Borough of Great Grimsby**

## **Notes to the Financial Statements for the Year Ended 28 February 2019**

### **1 Accounting policies**

#### **General information**

The Enrolled Freemen of Grimsby is an unincorporated charity registered in England and Wales. Its principle office address is 26 South St Marys Gate, Grimsby DN31 1LW

#### **Statement of compliance**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (issued on 16 July 2014 as updated through Update Bulletin 1 published on 2 February 2016) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

#### **Basis of preparation**

The Enrolled Freemen of the Borough of Great Grimsby meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

#### **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

#### **Exemption from preparing group accounts**

The charity has taken advantage of the exemption provided by section 139(2) of the Charities Act 2011 (group accounts) Regulations 2015 (SI2015/322) and has not prepared consolidated accounts.

#### **Income and endowments**

All income is recognised once the Charity has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount can be measured reliably.

Freeman Street Market - Income represents the amount receivable for the year exclusive of V.A.T.

Investment properties - Income represents ground rents and property rents receivable for the year.

Quoted investments - Income is recognised when dividends and interest become payable.

Other income - Other income is recognised as it is received.

Grants receivable - All grants, including those for the purchase of fixed assets are recognised in full in the SOFA in the year in which they are receivable.

#### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

#### **Support costs**

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources. They include governance costs.

#### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.



# **The Enrolled Freeman of the Borough of Great Grimsby**

## **Notes to the Financial Statements for the Year Ended 28 February 2019**

### **North East Lincolnshire Council**

In accordance with the Grimsby Pastures Acts 1849 and 1949, as amended, North East Lincolnshire Council is entitled each year to a one twentieth share of the net income before taxation of the Charity and, also, to one twentieth share from certain surpluses derived from the sale of assets within the Permanent Endowment Fund.

### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### **Goodwill**

Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

### **Tangible fixed assets**

Individual fixed assets costing £500 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

### **Amortisation**

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Goodwill	equal installments over 10 years

### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freeman Street Market Building alterations	over 10 to 25 years
Fixtures, Fittings & Equipment	over 5 to 25 years

### **Investment properties**

i) Freehold Land - Hay Croft, Little Field and East Marsh Estates. This land originally acquired in 1849 and previously the Charity commission had agreed that it may be included at a nominal value. Most of this land is let on ground leases of varying terms. Following a change of policy in 2016 Freehold Land and Freehold Reversions are now valued at fair value.

ii) Freehold Reversions - Little Field and Yarborough Estates. These reversions are valued at fair value.

iii) Freehold Land and Buildings - Other. Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in "Net gains and losses on investments".

### **Programme related investments**

Programme related investments are made in furtherance of the charity's objects and any investment return is secondary to the charitable purpose supported by the investment. Such investments are included at their cost. Any loss or impairment arising from such investments is charged as part of charitable activities within the Statement of Financial Activities.



# **The Enrolled Freeman of the Borough of Great Grimsby**

## **Notes to the Financial Statements for the Year Ended 28 February 2019**

### **Fixed asset investments**

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of is established when there is objective evidence that the will not be able to collect all amounts due according to the original terms of the receivables.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity. The General Fund represents the net income received by the charity which will be allocated to the Dividend Fund in due course.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

There are five designated funds, as follows;

- i) Dividend Fund - This fund represents the amounts set aside from the General Fund in May and December each year for payment to the Enrolled Freeman on the Roll.
- ii) Unclaimed Dividend Fund - On 30th April and 31st October in each year the balance of the Dividend Fund is transferred to this fund. If the dividends remain unclaimed after six years, the amount unclaimed is returned to the General Fund.
- iii) Special Repair Fund - This fund was created to assist in the future financing of major repairs to Freeman Street Market. It is the subject of a specific order of the Charity Commission. The current authorised annual contributions are £15,000 plus approximately 3% of the annual amount of stall rents received subject to annual consideration by the trustees.
- iv) Fixed Asset Fund - This fund represents the net book value of tangible assets funded originally by grant funding or other capital funding.
- v) Freeman Centre Roof Repair Fund - This fund represents monies received from property tenants to contribute towards the cost of future roof repairs.



# The Enrolled Freeman of the Borough of Great Grimsby

## Notes to the Financial Statements for the Year Ended 28 February 2019

The Permanent Endowment Fund represents assets which must be held permanently by the Charity, principally investments. Income arising on the Endowment Fund can be used in accordance with the objects of the Charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment Management charges relating to the fund are charged against the fund. The trustees do not have any power to convert this fund into income and apply it as such.

### Irrecoverable V.A.T.

The Charity is registered for V.A.T. purposes but part of its income is regarded as exempt from V.A.T. which means that a partial exemption calculation is prepared quarterly and averaged on an annual basis to ascertain whether all or part of the V.A.T. input tax incurred can be reclaimed by the Charity. Any irrecoverable V.A.T. is added to the relevant expenditure in the accounts.

### Pension Contributions

The Charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable. It also makes employer contributions into an employee's personal pension scheme.

## 2 Freeman Centre

	Unrestricted funds		Total 2019	Total 2018
	Designated £	General £	£	£
Car park income	-	27,701	27,701	-
Property rental income	-	49,854	49,854	-
Roof repair contributions	10,072	-	10,072	-
	<u>10,072</u>	<u>77,555</u>	<u>87,627</u>	<u>-</u>

## 3 Income from investment properties

	Unrestricted funds	Total 2019	Total 2018
	General £	£	£
Ground rent	134,325	134,325	129,887
Rental property income	25,828	25,828	23,985
Car park site income	494	494	824
	<u>160,647</u>	<u>160,647</u>	<u>154,696</u>



# The Enrolled Freeman of the Borough of Great Grimsby

## Notes to the Financial Statements for the Year Ended 28 February 2019

### 4 Freeman Street Market income

	Unrestricted funds		
	General	Total	Total
	£	2019	2018
		£	£
Stall rents	170,785	170,785	181,493
Skills Centre income	23,017	23,017	18,417
ATM income	2,717	2,717	2,191
Electricity charges	14,734	14,734	16,790
Solar Feed-in tariff income	32,763	32,763	30,590
Other income	1,799	1,799	2,795
Hub room rent	2,804	2,804	3,988
Peabung capital contribution	2,000	2,000	-
	<u>250,619</u>	<u>250,619</u>	<u>256,264</u>

### 5 Investment income

	Unrestricted funds		
	General	Total	Total
	£	2019	2018
		£	£
Interest receivable and similar income;			
Bank and building society	129	129	67
Other income from fixed asset investments	<u>49,595</u>	<u>49,595</u>	<u>50,620</u>
	<u>49,724</u>	<u>49,724</u>	<u>50,687</u>

### 6 Other income

	Total	Total
	2019	2018
	£	£
Gains on sale of tangible assets for charity's own use	<u>-</u>	<u>250</u>



# The Enrolled Freeman of the Borough of Great Grimsby

## Notes to the Financial Statements for the Year Ended 28 February 2019

### 7 Freeman Street Market

	Unrestricted funds		
	General	Total	Total
	£	2019	2018
		£	£
Salaries and wages	77,198	77,198	65,273
Pension costs - Contribution into employee's personal pension schemes	3,245	3,245	3,033
Share of officials salaries	58,444	58,444	57,161
Rent	7,882	7,882	9,295
Rates, water and sewerage	255	255	5,263
Light, heat and power	19,427	19,427	19,625
Insurance	13,647	13,647	12,903
Repairs and maintenance	28,575	28,575	16,610
Security expenses	21,079	21,079	19,637
Telephone, printing and postage	3,671	3,671	3,629
Licenses and IT support	1,367	1,367	824
Sundry expenses	5,976	5,976	4,209
Cleaning and waste disposal	33,400	33,400	31,443
The audit of the charity's annual accounts	2,025	2,025	1,989
Bank charges	1,443	1,443	1,200
Bad debts written off	4,469	4,469	-
Professional fees - payroll & VAT	6,136	6,136	8,545
Professional fees - property and other	7,375	7,375	4,227
Marketing and publicity	11,976	11,976	15,976
Depreciation, amortisation and other similar costs	57,612	57,612	56,172
	<u>365,202</u>	<u>365,202</u>	<u>337,014</u>

### a) Freeman Centre

	Unrestricted funds		
	General	Total	Total
	£	2019	2018
		£	£
Car park costs	19,496	19,496	-
Honorarium costs	667	667	-
Insurance cost	20,639	20,639	-
Professional fees	10,011	10,011	-
Property expenses	16,060	16,060	-
Property management charges	4,444	4,444	-
	<u>71,317</u>	<u>71,317</u>	<u>-</u>



# The Enrolled Freeman of the Borough of Great Grimsby

## Notes to the Financial Statements for the Year Ended 28 February 2019

### 8 Investment management costs

	Endowment funds	Total 2019 £	Total 2018 £
	Expendable £		
Other investment management costs;			
Costs of obtaining investment advice	20,971	20,971	22,100
Other professional fees	-	-	2,380
	<u>20,971</u>	<u>20,971</u>	<u>24,480</u>

### 9 Expenditure on Investment properties

	Unrestricted funds	Endowment funds	Total 2019 £	Total 2018 £
	General £	Expendable £		
Insurance	2,503	-	2,503	2,445
Repairs and maintenance	561	-	561	2,224
Printing, postage and stationery	258	-	258	814
Sundry expenses	1,200	-	1,200	968
Management costs	702	-	702	431
Professional fees - other property	-	5,360	5,360	-
Professional fees - general property	22,055	-	22,055	13,649
Professional fees - administration	1,766	-	1,766	-
Professional fees - old debt collection fees	508	-	508	4,495
Bad debts written off	6,735	-	6,735	696
	<u>36,288</u>	<u>5,360</u>	<u>41,648</u>	<u>25,722</u>



# The Enrolled Freeman of the Borough of Great Grimsby

## Notes to the Financial Statements for the Year Ended 28 February 2019

### 10 Analysis of governance and support costs

#### Governance costs

	Unrestricted funds		
	General	Total	Total
	£	2019	2018
		£	£
Licenses and IT support	1,773	1,773	-
Share of officials salaries	11,689	11,689	11,431
Trustee Indemnity insurance	738	738	680
Telephone, printing and postage	3,905	3,905	4,084
Professional fees	7,777	7,777	9,271
Sundry expenses	5,859	5,859	2,728
The audit of the charity's annual accounts	2,025	2,025	1,989
Bank charges	1,444	1,444	1,210
	<u>35,210</u>	<u>35,210</u>	<u>31,393</u>

### 11 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses from the charity during the year.

The four members of the Pastures Committee who are also directors of the Pastures Development Company Limited have raised fee invoices in the year totalling £26,000 (2018:£26,000) for specialist services rendered in respect of the on-going management and promotion of the the Business Hub and associated activity.

The four members being S.P. White, S.T. Wakefield, R.A. Bellamy and S.J. Meller, are engaged under the terms of self-employed service agreements previously authorised by the Pastures Committee.



## The Enrolled Freemen of the Borough of Great Grimsby

### Notes to the Financial Statements for the Year Ended 28 February 2019

#### 12 Staff costs

The aggregate payroll costs were as follows:

	2019	2018
	£	£
Salaries and wages	73,935	62,679
Social security costs	3,263	2,594
Pension costs - contributions into employee's personal pension schemes	2,338	2,256
Defined contributions pension costs	907	777
Totals	<u>80,443</u>	<u>68,306</u>

The monthly average number of persons (including senior management team) employed by the charity during the year was as follows:

	2019 No	2018 No
Average number of employees	<u>3</u>	<u>3</u>

No employee received emoluments of more than £60,000 during the year

#### 13 Loss on investment asset - Impairment of bank balance

In 2008 the Charity held £392,898 invested in a ninety day notice deposit account with Kaupthing Singer and Friedlander Limited, which was effectively frozen when the bank was placed into administration by the High Court on 8th October 2008. It was not apparent at 28th February 2009, whether this investment would be returned in full and an impairment provision of £235,738 was, therefore, included in the 2009 accounts, being 60% of the funds invested. Subsequently 87.9% of the funds have been recovered from the banks' administrators and the Financial Conduct Authority (FCA) and the provision reduced to 12.1%, thereby releasing a further £861 (2018:£4,304) to the statement of Financial Activities in this financial year. Please refer to the 2019 Trustees Annual report for further information.



# The Enrolled Freeman of the Borough of Great Grimsby

## Notes to the Financial Statements for the Year Ended 28 February 2019

### 14 Intangible fixed assets

	Goodwill £	Total £
<b>Cost</b>		
At 1 March 2018	<u>10,000</u>	<u>10,000</u>
At 28 February 2019	<u>10,000</u>	<u>10,000</u>
<b>Amortisation</b>		
At 1 March 2018	7,000	7,000
Charge for the year	<u>1,000</u>	<u>1,000</u>
At 28 February 2019	<u>8,000</u>	<u>8,000</u>
<b>Net book value</b>		
At 28 February 2019	<u>2,000</u>	<u>2,000</u>
At 28 February 2018	<u>3,000</u>	<u>3,000</u>



# The Enrolled Freeman of the Borough of Great Grimsby

## Notes to the Financial Statements for the Year Ended 28 February 2019

### 15 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Investment Properties £	Total £
<b>Cost</b>				
At 1 March 2018	814,333	706,755	2,625,000	4,146,088
Additions	1	8,308	-	8,309
At 28 February 2019	<u>814,334</u>	<u>715,063</u>	<u>2,625,000</u>	<u>4,154,397</u>
<b>Depreciation</b>				
At 1 March 2018	443,208	243,629	-	686,837
Charge for the year	<u>21,365</u>	<u>35,247</u>	<u>-</u>	<u>56,612</u>
At 28 February 2019	<u>464,573</u>	<u>278,876</u>	<u>-</u>	<u>743,449</u>
<b>Net book value</b>				
At 28 February 2019	<u>349,761</u>	<u>436,187</u>	<u>2,625,000</u>	<u>3,410,948</u>
At 28 February 2018	<u>371,125</u>	<u>463,126</u>	<u>2,625,000</u>	<u>3,459,251</u>

### Investment properties

#### Land and buildings

The Trustees consider that the valuation report prepared in March 2013 by the property surveyors, Jackson Green and Preston who are external to the organisation, is still appropriate at the year end. This class of assets have a fair value of £2,625,000 and were previously included at a cost of £307,479 including a nominal value of £6,152 for the Freehold Land and Building Reversions. The depreciation on the historical costs is £Nil.

### 16 Fixed asset investments

	2019 £	2018 £
Programme related investments in group undertakings and participating interests	1,023,755	1,039,958
Other investments	<u>1,892,188</u>	<u>1,885,487</u>
	<u>2,915,943</u>	<u>2,925,445</u>



# The Enrolled Freeman of the Borough of Great Grimsby

## Notes to the Financial Statements for the Year Ended 28 February 2019

### Programme related investments in group undertakings and participating interests

	Subsidiary undertakings £	Total £
<b>Cost</b>		
At 1 March 2018	1,072,312	1,072,312
At 28 February 2019	1,072,312	1,072,312
<b>Provision for impairment</b>		
At 1 March 2018	32,354	32,354
Charge for year	16,203	16,203
At 28 February 2019	48,557	48,557
<b>Net book value</b>		
At 28 February 2019	1,023,755	1,023,755
At 28 February 2018	1,039,958	1,039,958

### Other investments

	UK Listed investments £	Overseas Listed investments £	Total £
<b>Cost or Valuation</b>			
At 1 March 2018	1,841,920	43,567	1,885,487
Additions	390,520	-	390,520
Disposals	(433,225)	(11,012)	(444,237)
At 28 February 2019	1,799,215	32,555	1,831,770
<b>Revaluation</b>			
Revaluation for year	53,033	7,385	60,418
At 28 February 2019	53,033	7,385	60,418
<b>Net book value</b>			
At 28 February 2019	1,852,248	39,940	1,892,188
At 28 February 2018	1,841,920	43,567	1,885,487

### Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:



# The Enrolled Freeman of the Borough of Great Grimsby

## Notes to the Financial Statements for the Year Ended 28 February 2019

Undertaking	Country of incorporation and Co number	Holding	Proportion of voting rights and shares held	Principal activity
<b>Subsidiary undertakings</b>				
Pastures Development Company Limited	UK 7336611	Ordinary	100%	Property/project management and development
Freeman Street Regeneration Limited	UK 10461298	Ordinary	100%	Dormant

The loss for the financial period of Pastures Development Company Limited was £62,270 and the aggregate amount of capital and reserves at the end of the period was £(340,233).

The loss for the financial period of Freeman Street Regeneration Limited was £2,042 and the aggregate amount of capital and reserves at the end of the period was £(2,039).

### 17 Debtors

	2019 £	2018 £
Trade debtors	23,036	7,313
Due from group undertakings	444,678	526,728
Deferred expenditure	326,499	114,397
Prepayments	1,990	2,040
Other debtors	54,769	46,953
	<u>850,972</u>	<u>697,431</u>

Debtors includes £444,678 (2018: £526,728) receivable after more than one year.

	2019 £	2018 £
Due from group undertakings	<u>444,678</u>	<u>526,728</u>

### 18 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	67,654	25,307
Other taxation and social security	2,653	2,435
VAT	(6,019)	9,638
Other creditors	5,328	6,227
Accruals	63,381	94,795
	<u>132,997</u>	<u>138,402</u>

### 19 Commitments

#### Capital commitments

The total amount contracted for but not provided in the financial statements was £149,892 (2018 - £Nil).



# The Enrolled Freeman of the Borough of Great Grimsby

## Notes to the Financial Statements for the Year Ended 28 February 2019

### 20 Funds

	Balance at 1 March 2018 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 28 February 2019 £
<b>Unrestricted funds</b>						
<b>General</b>						
Unrestricted general fund	139,353	538,545	(511,116)	(37,317)	-	129,465
<b>Designated</b>						
Fixed asset fund	5,667	-	-	1,000	-	6,667
Dividend fund	2,571	-	(35,051)	34,845	-	2,365
Special repair fund	82,578	-	-	-	-	82,578
Unclaimed dividend fund	16,233	-	(922)	1,472	-	16,783
Freeman Centre roof repair fund	-	10,072	-	-	-	10,072
	<u>107,049</u>	<u>10,072</u>	<u>(35,973)</u>	<u>37,317</u>	<u>-</u>	<u>118,465</u>
<b>Total unrestricted funds</b>	<u>246,402</u>	<u>548,617</u>	<u>(547,089)</u>	<u>-</u>	<u>-</u>	<u>247,930</u>
<b>Expendable</b>						
Endowment fund	<u>6,871,049</u>	<u>-</u>	<u>113,432</u>	<u>-</u>	<u>(15,342)</u>	<u>6,969,139</u>
	<u>6,871,049</u>	<u>-</u>	<u>113,432</u>	<u>-</u>	<u>(15,342)</u>	<u>6,969,139</u>
<b>Balance at 28 February 2018</b>						
	Balance at 1 March 2017 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 28 February 2018 £
<b>Unrestricted funds</b>						
General	(122,695)	(461,647)	398,927	46,062	-	(139,353)
Designated	<u>(107,034)</u>	<u>-</u>	<u>46,047</u>	<u>(46,062)</u>	<u>-</u>	<u>(107,049)</u>
<b>Total unrestricted funds</b>	<u>(229,729)</u>	<u>(461,647)</u>	<u>444,974</u>	<u>-</u>	<u>-</u>	<u>(246,402)</u>
<b>Restricted funds</b>	(420)	-	420	-	-	-
<b>Endowment funds</b>						
Expendable	<u>(6,740,651)</u>	<u>-</u>	<u>24,480</u>	<u>-</u>	<u>(154,878)</u>	<u>(6,871,049)</u>
<b>Total funds</b>	<u>(6,970,800)</u>	<u>(461,647)</u>	<u>469,874</u>	<u>-</u>	<u>(154,878)</u>	<u>(7,117,451)</u>

### Purpose of the designated funds:

Please refer to the accounting policies for details of each of the designated funds.



# The Enrolled Freeman of the Borough of Great Grimsby

## Notes to the Financial Statements for the Year Ended 28 February 2019

### 21 Analysis of net assets between funds

	Unrestricted funds		Endowment funds	
	General	Designated	Expendable	Total funds
	£	£	£	£
Intangible fixed assets	-	-	2,000	2,000
Tangible fixed assets	-	-	3,410,948	3,410,948
Fixed asset investments	-	-	2,915,943	2,915,943
Cash held as part of quoted investment portfolio	-	-	53,083	53,083
Current assets	129,465	118,465	720,162	968,092
Current liabilities	-	-	(132,997)	(132,997)
Total net assets	<u>129,465</u>	<u>118,465</u>	<u>6,969,139</u>	<u>7,217,069</u>

### 22 Related party transactions

During the year the charity made the following related party transactions:

#### **The Pastures Development Company Limited (PDC)**

(Wholly owned Subsidiary undertaking))

The PDC leases two sites known as the Market Car Park and Freeman Street Community Hub from the charity. The 125 year leases commenced 1st August 2012 for a total premium of £120,000 and an annual peppercorn rental.

In the year, costs of £62,678 (2018: £71,523) relating to establishment and salary costs and the administration of the Business Hub were recharged to the PDC.

During the year, the Enrolled Freeman occupied three offices within the Business Hub from the PDC on tenancies at Will, for a combined annual rental of £7,882 (2018:£9,295).

At the balance sheet date the amount due from the PDC was £444,678 (2018 - £526,728).