

The Geoffrey Watling Charity
Trustees Report and Financial Statements
For the year ended 30 September 2020

The Geoffrey Watling Charity

Contents

Year ended 30 September 2020

	Page
Trustees Report	1 – 10
Independent Auditor's Report to the Trustees	11 – 13
Consolidated Statement of Financial Activities	14
Consolidated Balance Sheet	15
Consolidated Cash Flow	16
Notes to the Accounts	17 – 28

The Geoffrey Watling Charity

Trustees Report

Year ended 30 September 2020

REFERENCE AND ADMINISTRATIVE DETAILS

Charity name	The Geoffrey Watling Charity
Charity registration number	1025258
Registered address	8a Ber Street Norwich Norfolk NR1 3EJ
Trustees	A C Watling (Chairman) S P Watling R S Marks D J Lundean
Grants and Charity Administrator	A. Handley
Bankers	Barclays Bank Plc Barclay's Business Centre 3 St. James Court Whitefriars Norwich NR3 1RJ
Property investment advisors	Brown & Co 25-26 Tuesday Market Place Kings Lynn Norfolk PE30 1JJ
Investment advisors	Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU
Auditor	Lovewell Blake LLP Bankside 300 Peachman Way Broadland Business Park Norwich Norfolk NR7 0LB

The Geoffrey Watling Charity

Trustees Report

Year ended 30 September 2020

The Trustees have pleasure in presenting their report and audited consolidated financial statements for the year ended 30 September 2020. The report and financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Charity's Settlement Deed (as amended), the Charities Act 2011 and the Statement of Recommended Practice (SORP) applicable to charities preparing their (consolidated) accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, published in October 2019.

The accounts presented here are the consolidated accounts of the Charity and of Geoffrey Watling (Norwich) Limited, the Company wholly-owned by the Charity.

OBJECTIVES AND ACTIVITIES OF THE CHARITY

The Deed of Settlement dated 4 August 1993, as amended, defines the 'object' of The Geoffrey Watling Charity ('GWC') as:

"To pay or apply the annual income of the Charity's funds to such charity or charities or for such charitable purpose or purposes as the Trustees shall from time to time in their absolute discretion determine."

The geographical 'area of benefit' is 'the County of Norfolk and the Waveney District of Suffolk'.

The means by which the Charity seeks to meet this object are:

1. to invest optimally the assets of the Charity and its wholly-owned Company, (the "Group")
2. to make grants to organisations with a charitable purpose whose beneficiaries reside within the area of benefit in order to enhance their welfare.

Optimum investment of the Group's assets

The Trustees and Directors of GWN are particularly mindful that their ability to allocate the Charity's funds now and in the future to make grants to others in need is only possible if they manage the Charity's and Company's (the "Group's") investments effectively. The value of the investments at 30 September 2020 was £16,460,161 comprising £2,488,000 in directly-owned fixed assets and £13,972,161 in quoted investments and cash. The Trustees have decided that their two overall objectives in this area are:

- as far as is practicable, to treat current and future beneficiaries equally, given that the Charity is intended to exist in the long-term, although not necessarily in perpetuity
- to achieve an optimum balance between risk and total return in order to set a consistent short-to medium-term budget for expenditure on its charitable objectives and priorities.

The Geoffrey Watling Charity

Trustees Report Continued

Year ended 30 September 2020

Optimum investment of the Group's assets (continued)

During the year to 30 September 2020, the Trustees approved an investment policy developed in conjunction with the Charity's discretionary investment managers, Sarasin & Partners LLP.

Grant-making

The Charity aims to make the greatest positive impact for the good of its beneficiaries to the best of its ability with the finite resources it has. To this end, the Charity makes grants to other organisations with an approved charitable purpose. Trustees consider all applications they receive and consider each on its own merits and within the terms of the Deed of Settlement. They have no priority areas for grant-making.

ACHIEVEMENTS AND PERFORMANCE

This section of the Report aims to give a balanced account of how well the activities of the Charity, as set out in the previous section on 'Objectives and activities', performed and the extent to which the Charity met its objectives and made a difference for its beneficiaries. It does this under the following headings, the Charity's principal activities:

- grant-making to other organisations with charitable purposes
- the optimum investment and deployment of the Charity's assets

Grant-making

During the year 2019/20, the Charity authorised spending of £466,200 on 120 grants (2019: £483,170: 131 grants) to other bodies with a charitable purpose, (*Note 7 to the accounts*), taking into account a small number of grants which were withdrawn during the respective years. The cost to the charity of managing these activities was £33,046 (2019: £25,739), (*Note 5 to the accounts*).

The Geoffrey Watling Charity

Trustees Report Continued

Year ended 30 September 2020

Grant-making (continued)

An analysis of the grants made for various categories of purpose is set out in Note 7. The following table shows the percentage distribution of monies granted, not including the grants withdrawn in 2019/20.

Category of grant made	Percentage of total grants awarded (%)
Social and welfare	48.4
Churches and historic buildings	17.8
Education and arts	17.8
Environment	5.6
Medical	4.8
Sporting	4.0
Infrastructure	1.6

Trustees often find it difficult, if not impossible, to assess the direct beneficial effect of their grant-making, not least because there are so many related and unrelated influences on individuals and other organisations. In these circumstances, Trustees focus on:

- feedback from beneficiaries
- observing the effect on organisations to which grants have been made
- finding and considering any research evidence relating to the likely effect of a planned intervention supported by a grant.

The optimum investment of the Group's assets and its financial performance

This section reviews the performance of the Group's consolidated investment portfolio.

The table overleaf shows the performance in 2019/20 and 2018/19 of the investment portfolio, comprising directly-owned property, quoted investments and 'surplus cash'. The overall value of the investments increased in 2019/20 by 2.1%.

Overall, the total return (capital gain and income) on assets invested was 5.9%, compared with 7.4% in 2018/19. In terms of liquidity, £551,796 (3.3%) of this return was received as income.

Trustees meet discretionary investment manager and adviser, Sarasin & Partners LLP, once a year for a formal review of their performance and to discuss likely future issues, including risk. The property portfolio is managed by John Weston, MRICS, of Brown & Co who reports to the Director of the Company.

The Geoffrey Watling Charity

Trustees Report Continued

Year ended 30 September 2020

	2019/20	2018/19
FUND FOR INVESTMENT		
Property	2,448,000	3,313,000
Quoted investments	13,453,006	12,083,396
Surplus cash	519,155	659,933
Long-term loans	567,934	619,359
Total	17,028,095	16,675,688
TOTAL RETURN		
(Percentages calculated against opening Fund balances)		
From Property and loans:		
As net income	223,848	307,254
Return	5.7%	7.7%
From Quoted Investments and Surplus Cash:		
As net income	327,948	318,517
As capital gain	425,299	556,118
In total	753,247	874,635
Return	5.9%	7.3%
Combined		
As net income	551,796	625,771
As capital gain	425,299	556,118
In total	977,095	1,181,889
Return	5.9%	7.4%

The Geoffrey Watling Charity

Trustees Report Continued

Year ended 30 September 2020

The Trustees believe that the whole of this section of their Report demonstrates that they have complied with their duty to have due regard to the Charity Commission's public benefit guidance.

FINANCIAL REVIEW

The previous section of this Report reviewed the financial performance of the Charity's investments; this section reviews the Charity's overall financial position at the year end, including that of the Company.

There have been no major unforeseen events during the year which have affected the Charity's finances to any significant extent. Financial planning, monitoring and control have been of a good standard. The impact of the coronavirus pandemic has not hit the Group badly. The effect of the various lockdowns has resulted in slightly lower income from the Company's investment properties, but this has been offset by the gain on the sale of the Company's property in Cathedral Street, Norwich.

During the year, the Company sold a significant part of its property investment portfolio. The proceeds of the sale were reinvested into the Charity's non-property investment portfolio. In that portfolio, there is an adoption of an overall strategic asset allocation to balance expected return and risk over the whole portfolio.

The Group remains in a strong financial position at the end of the year with net assets of £17,021,162.

The valuation of the Charity's investment portfolio as at 11 March 2021 was £14,041,600. The comparable valuation as at 30 September 2020 was £13,453,101.

Risk management

Trustees also monitor closely the risks to which the Charity is exposed, many of which are not directly financial in nature but which, if they materialise, could have financial consequences. A Risk Assessment Register for the company and charity was presented at the meeting of the Trustees, held on 6 December 2019 and approved at their meeting on 6 March 2020. The Register sets down the probability and impact of each foreseeable risk and the preventative or mitigating actions which should be taken. The trustees are responsible for the maintenance, and at least annual review, of the Register.

The Geoffrey Watling Charity

Trustees Report Continued

Year ended 30 September 2020

Reserves policy

The policy of the Trustees is to ensure that it holds net current assets sufficient to cover the operational running costs of the Charity for a six month period. This includes sums sufficient to pay out all approved grants.

At the year-end, free reserves (being net current assets) held within the general fund and investment fund totalled £558k (2019: £483k) which amounts to 9 months of expenditure. In addition a further £13.4m (2019: £12m) was held within the investment portfolio which is retained to generate a return on investment in accordance with the investment policy.

The Charity does not have an explicit policy on social, environmental or ethical matters in relation to its investments. Rather it subscribes to the policy of its discretionary investment managers, Sarasin & Partners (this being a factor in their selection for this role by the Trustees).

PLANS FOR FUTURE PERIODS

During the year work was carried out to update the Charity's website and application process and this was completed by the end of the year, the new website being launched at the beginning of 2021. Further discussion of future planning will be reviewed when current restrictions are removed and life returns to normal.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is an unincorporated association with significant invested funds. It also wholly owns Geoffrey Watling (Norwich) Limited, a registered Company. The Company directly owns properties, principally in Hemsby, Norfolk. The Company remits annually an appropriate and permitted amount of its profits through Gift Aid to the Charity.

When a new Trustee is appointed, there is a short briefing procedure covering relevant governance issues.

The Trustees meet formally 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. During the last year, most of the meetings of the trustees have been held in a virtual environment. The trustees have had to adapt to the challenging circumstances of lockdown and social distancing necessitated by the pandemic. The Director of the Company meets with the company's property adviser about once a month and visits the Company's properties particularly during the summer season at Hemsby. They also attend regular Coastal Protection Meetings organised by Great Yarmouth Borough Council. During the first lockdown beginning in March meetings did not take place but continued once restrictions were eased.

The Geoffrey Watling Charity

Trustees Report Continued

Year ended 30 September 2020

Connected Charities

There are no connected Charities.

REFERENCE AND ADMINISTRATIVE DETAILS

The Geoffrey Watling Charity is a registered Charity, number 1025258. It is an unincorporated association.

The Board of Trustees comprises not fewer than 3 and not more than 6 Trustees who are appointed by the Board at the time. Those who served in these capacities during 2019/20 and/or are Trustees at the time of the approval of these financial statements are shown in the table below.

Alan Watling is Chairman of the Board.

Geoffrey Watling (Norwich) Limited is a Registered Company (number 00957457), the shares of which are owned wholly by The Geoffrey Watling Charity. Alan Watling is the sole Director of the Company and is also a Trustee of the Geoffrey Watling Charity. Yvonne Johnston is the Company Secretary, appointed to the role on 1 April, 2015.

Trustees

Trustee	Period of office
Alan C Watling	To August 2021
Susan P Watling	To June 2023
Richard S Marks	To December 2023
David J Lundean	To March 2022

The Geoffrey Watling Charity

Trustees Report Continued

Year ended 30 September 2020

John Weston, MRICS, and Registered Valuer, of Brown & Co LLP, is the property adviser to the Company and Charity, responsible for the management of the invested estate 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:

Yvonne Johnston
Armana Handley

Accountant
Grants and Charity Administrator

Trustees and key management personnel

The Trustees consider that the Board of Trustees is responsible for directing and controlling the Charity and running and operating the Charity on a day-to-day basis. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustees' expenses and related party transactions are disclosed in note 10 to the accounts.

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

The remuneration of the Charity's Accountant and Administrator is reviewed annually.

Fundraising Standards Information

The Charity does not participate in fundraising activities or instruct anyone to act on their behalf with regards to fundraising.

True and Fair override

The accounts (financial statements) have been prepared to give a "true and fair" view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a "true and fair view". This departure has involved following Accounting and Reporting by charities by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 rather than Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Statement of Trustees' Responsibilities

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

The law applicable to charities in England & Wales 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 group and of its incoming resources and application of resources of the charity and the group for that period.

The Geoffrey Watling Charity

Trustees Report Continued

Year ended 30 September 2020

Statement of Trustees' Responsibilities (continued)

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 2019 (FRS102);
- make judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity and group will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and group 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.

Thanks

Thanks are due to Yvonne Johnston, Armana Handley and John Weston and his team. 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

Alan Watling
Chairman of the Board of Trustees
8A Ber Street
Norwich, NR1 3EJ

12 March 2021

The Geoffrey Watling Charity

Independent Auditor's Report to the Trustees

Year ended 30 September 2020

Opinion

We have audited the financial statements of The Geoffrey Watling Charity (the 'parent charity') and its subsidiaries (the 'group') for the year ended 30 September 2020 which comprise the consolidated statement of financial activities, consolidated balance sheet, consolidated cash flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 30 September 2020, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

The Geoffrey Watling Charity

Independent Auditor's Report to the Trustees

Year ended 30 September 2020

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. 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 in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records 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 trustees' responsibilities statement set out on pages 9 and 10, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

The Geoffrey Watling Charity

Independent Auditor's Report to the Trustees

Year ended 30 September 2020

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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

Use of our report

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

Lovewell Blake LLP
Statutory Auditor

Date: 21 May 2021

Bankside 300
Peachman Way
Broadland Business Park

Norwich
Norfolk, NR7 0LB

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

The Geoffrey Watling Charity

Consolidated Statement of Financial Activities

Year ended 30 September 2020

	Note	Unrestricted General fund £	Unrestricted Investment fund £	2020 Total £	Unrestricted 2019 £
Income and endowments from:					
Investments	2	726,435	-	726,435	774,117
Total income and endowments		726,435	-	726,435	774,117
Expenditure on:					
Raising Funds					
Investment management costs	4	188,082	68,179	256,261	197,398
Charitable Activities	5	499,246	-	499,246	508,960
Total expenditure		687,328	68,179	755,507	706,358
Net income / (expenditure) before revaluation of investments		39,107	(68,179)	(29,072)	67,759
Net gains/(losses) on investment portfolio		-	425,299	425,299	556,118
Net gains/(losses) on investment properties	3	128,450	-	128,450	-
Net income and net movement in funds		167,557	357,120	524,677	623,877
Reconciliation of funds:					
Total funds brought forward		762,064	15,734,421	16,496,485	15,872,608
Total funds carried forward		929,621	16,091,541	17,021,162	16,496,485

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes set out on pages 17 to 28 form an integral part of these financial statements.

The Geoffrey Watling Charity

Consolidated Balance Sheet

As at 30 September 2020

	Notes	2020		2019	
		Charity £	Group £	Charity £	Group £
Fixed Assets					
Tangible fixed assets	12	265,000	2,539,201	265,000	3,362,534
Investments	13	13,453,006	13,453,006	12,083,396	12,083,396
Subsidiary	13	2,847,938	-	2,847,938	-
Cash deposits		95	95	6,417	6,417
		<u>16,566,039</u>	<u>15,992,302</u>	<u>15,202,751</u>	<u>15,452,347</u>
Current Assets					
Debtors : amounts falling due within one year	14	70,982	127,844	257,805	120,119
Debtors : amounts falling due after one year	14	-	506,975	-	563,465
Cash at bank and in hand		<u>519,155</u>	<u>808,175</u>	<u>659,932</u>	<u>955,706</u>
		<u>590,137</u>	<u>1,442,994</u>	<u>917,737</u>	<u>1,639,290</u>
Current Liabilities					
Creditors : Amounts falling due within one year	15	(1,244,918)	(377,634)	(659,935)	(592,152)
Net current assets / (liabilities)		<u>(654,781)</u>	<u>1,065,359</u>	<u>257,802</u>	<u>1,047,138</u>
Total assets less current liabilities		<u>15,911,258</u>	<u>17,057,662</u>	<u>15,460,553</u>	<u>16,499,485</u>
Creditors : Amounts falling due after one year	15	(36,500)	(36,500)	(3,000)	(3,000)
Total net assets		<u><u>15,874,758</u></u>	<u><u>17,021,162</u></u>	<u><u>15,457,553</u></u>	<u><u>16,496,485</u></u>
Funds of the charity					
Unrestricted funds					
General	16	779,247	929,621	719,162	762,064
Investment	16	15,095,511	16,091,541	14,738,391	15,734,421
Total charity funds		<u><u>15,874,758</u></u>	<u><u>17,021,162</u></u>	<u><u>15,457,553</u></u>	<u><u>16,496,485</u></u>

These accounts were approved by the Trustees on 12 March 2021.

A C Watling

R S Marks

The notes set out on pages 17 to 28 form an integral part of these financial statements.

The Geoffrey Watling Charity

Consolidated Cash Flow

As at 30 September 2020

	Charity 2020 £	Group 2020 £	Charity 2019 £	Group 2019 £
Net cash flow from operating activities	475,355	(793,957)	(129,495)	(455,503)
Cash flow from investing activities				
Payments to acquire tangible fixed assets	-	(6,401)	-	(7,918)
Payments to acquire investments	(1,033,380)	(1,033,380)	(18,390)	(18,390)
Receipts from disposal of Fixed Assets	-	953,450	-	3,849
Rents received from investment properties	18,079	308,949	12,000	365,085
Interest received	1,454	26,093	1,464	30,521
Investment portfolio income	391,393	391,393	378,511	378,511
Net cash flow from investing activities	<u>(622,454)</u>	<u>640,104</u>	<u>373,585</u>	<u>751,658</u>
Net (decrease) / increase in cash and cash equivalents	(147,099)	(153,853)	244,090	296,155
Cash and cash equivalents at 1 October 2019	666,349	962,123	422,259	665,968
Cash and cash equivalents at 30 September 2020	<u>519,250</u>	<u>808,270</u>	<u>666,349</u>	<u>962,123</u>
Reconciliation of net income / (expenditure) to net cash flow from operating activities				
Net income for the year	417,205	524,677	624,206	623,877
Rents received from investment properties	(18,079)	(308,949)	(12,000)	(365,085)
Interest receivable	(1,454)	(26,093)	(1,464)	(30,521)
Investment portfolio income	(391,393)	(391,393)	(378,511)	(378,511)
Depreciation of tangible fixed assets	-	4,734	-	5,951
Investment management fees	89,069	89,069	84,326	84,326
(Gains) in investments	(425,299)	(425,299)	(556,118)	(556,118)
Gain on sale of investment property	-	(128,450)	-	-
(Increase) / decrease in debtors	186,823	48,765	(72,703)	32,366
Increase / (decrease) in creditors	618,483	(181,018)	182,769	128,212
	<u>475,355</u>	<u>(793,957)</u>	<u>(129,495)</u>	<u>(455,503)</u>

The notes set out on pages 17 to 28 form an integral part of these financial statements.

The Geoffrey Watling Charity

Notes to the Accounts

Year ended 30 September 2020

1 Summary of significant accounting policies

(a) General information and basis of preparation

The Geoffrey Watling Charity is an unincorporated charity in the United Kingdom. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities remains as described within the Trustees Report on pages 2 to 3.

The charity constitutes a public benefit entity as defined by FRS 102. 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 in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Practice.

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

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Group financial statements

These financial statements consolidate the results of the charity and its wholly owned subsidiary Geoffrey Watling (Norwich) Limited on a line by line basis. A separate Statement of Financial Activities and income and expenditure accounts are not presented for the charity following the exemptions afforded the SORP.

The Geoffrey Watling Charity

Notes to the Accounts

Year ended 30 September 2020

1 Summary of significant accounting policies (continued)

(c) Funds

All of the charity's funds are unrestricted funds.

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

The Investment Fund was established with the initial transfer of capital from the estate of the late Geoffrey Watling and is unrestricted. The income from the fund is used by the charity to undertake its objectives.

(d) Income recognition

All income is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income and the amount can be measured reliably and it is probable that the income will be received.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

(e) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

It is categorised under the following headings:

- Costs of raising funds comprise the costs associated with property and investment management.
- Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Irrecoverable VAT is charged as an expense against the general activity category for which expenditure arose.

The Geoffrey Watling Charity

Notes to the Accounts

Year ended 30 September 2020

1 Summary of significant accounting policies (continued)

(e) Expenditure recognition (continued)

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

(f) Investment properties

Investment properties where 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 / (losses) on investments in the SoFA. All investment properties owned by the charity are included at fair value. Current Values are based on a valuation undertaken by John Weston of Brown and Co. Property and Business Consultants LLP on 30 September 2018.

(g) Tangible fixed assets

Land and property is included at fair value and based on a valuation undertaken by John Weston of Brown and Co. Property and Business Consultants LLP on 30 September 2018. No depreciation is charged as property is subject to regular revaluation and any depreciation is considered to be immaterial.

Machinery and office equipment are stated at cost less accumulated depreciation calculated at 25% reducing balance.

(h) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA, based upon the market value at the period end.

In the charity investment in the subsidiary is measured at cost less impairment.

The Charity's investment policy is laid out in the Trustees Annual Report.

(i) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure

The Geoffrey Watling Charity

Notes to the Accounts

Year ended 30 September 2020

1 Summary of significant accounting policies (continued)

(j) Debtors receivable after one year

Debtors receivable after one year constitute loans and mortgages which are initially recognised at the transaction price. Subsequently they are measured at amortised cost using the effective interest rate method less impairment.

(k) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern. The Trustees have taken into account the impact of COVID-19 on the charity in making this assessment.

(l) Cash at bank

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less.

(m) Financial Instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method

The Geoffrey Watling Charity

Notes to the Accounts

Year ended 30 September 2020

	General fund £	Investment fund £	Unrestricted 2020 Total £	Unrestricted 2019 Total £
2 Income from investments				
Rental income	308,949	-	308,949	365,085
Deposit interest	1,454	-	1,454	1,464
Interest on loans	24,639	-	24,639	29,057
Investment portfolio income	391,393	-	391,393	378,511
	<u>726,435</u>	<u>-</u>	<u>726,435</u>	<u>774,117</u>
3 Realised gains on the disposal of investment properties by Geoffrey Watling (Norwich) Ltd. amounted to £128,450.				
4 Investment management costs				
Rent, rates and insurance	22,956	-	22,956	24,692
Repairs and maintenance	53,797	-	53,797	27,563
Wages and National insurance	19,170	-	19,170	17,820
Sundry	18,101	-	18,101	14,501
Management charges	25,122	63,445	88,567	88,408
Legal and professional fees	31,973	-	31,973	1,712
Directors remuneration	12,000	-	12,000	12,000
Depreciation and loss on disposal of assets	-	4,734	4,734	5,951
Governance costs (note 6)	4,963	-	4,963	4,751
	<u>188,082</u>	<u>68,179</u>	<u>256,261</u>	<u>197,398</u>
5 Analysis of expenditure on charitable activities				
Grants (note 7)	416,200	-	416,200	483,220
Donations (note 7)	50,000	-	50,000	-
Salaries	17,291	-	17,291	19,196
Sundry expenses	10,810	-	10,810	1,812
Governance costs (note 6)	4,945	-	4,945	4,732
	<u>499,246</u>	<u>-</u>	<u>499,246</u>	<u>508,960</u>
6 Governance costs				
Auditor's remuneration:				
Audit services - current year	10,000	-	10,000	10,000
- prior year	(1,430)	-	(1,430)	(1,720)
Other services	1,250	-	1,250	1,115
Other	88	-	88	88
	<u>9,908</u>	<u>-</u>	<u>9,908</u>	<u>9,483</u>

The Geoffrey Watling Charity

Notes to the Accounts

Year ended 30 September 2020

7 Analysis of grants and donations

The grants and donations recognised during the period are analysed as follows :-

		2020 £	2019 £
Purpose			
Social and Welfare	60	280,200	273,160
Churches and Historic Buildings	22	43,000	57,302
Education and Arts	22	52,500	60,458
Environment	7	25,500	11,300
Medical	6	51,500	80,000
Sporting	5	17,500	12,000
Infrastructure	2	9,000	-
	<u>124</u>	<u>479,200</u>	<u>494,220</u>
Grants withdrawn	<u>4</u>	<u>13,000</u>	<u>11,000</u>
Total grants	<u>120</u>	<u>466,200</u>	<u>483,220</u>

All grants and donations authorised during the year were payable to institutions. Below are details of the activities which have been funded by grants and donations authorised of £10,000 or more:

		£
St Martins	Donation Station apprenticeships and support to build skills and confidence	10,000
Norfolk Community Law Service	Delivery of debt and welfare services for vulnerable people	10,000
Memorial Trust of the 2nd Air Division USAAF	To refurbish and relaunch the Memorial Library at the Forum	10,000
Norwich City Community Sports Foundation	To develop Phase 2 of The Nest community sports facility in Norwich	10,000
Ted Ellis Trust	To replace 170 metres of Boardwalk at Wheatfen Nature Reserve SSSI	10,000
University of East Anglia	Equipment to develop a new test to detect replicating Coronavirus by 9-2020	30,000
Norfolk Community Foundation	Donation agreed by the trustees for the Nfk C Fdn Covid 19 Appeal	50,000
Centre 81 Limited	To relocate from failing portacabins to a retail warehouse in Gt Yarmouth	50,000
		<u>180,000</u>

The Geoffrey Watling Charity

Notes to the Accounts

Year ended 30 September 2020

8 Net income for the year

Net income is stated after charging / (crediting):

	2020 £	2019 £
Depreciation of tangible fixed assets	4,734	4,178
Gain on fair value movement of investments	425,299	556,118
(Gain)/Loss on disposal of fixed assets	<u>(128,450)</u>	<u>1,773</u>

9 Auditor's remuneration

	2020 £	2019 £
Audit services - current year	10,000	10,000
- prior year	(1,430)	(1,720)
Other services	<u>1,250</u>	<u>1,115</u>
	<u>9,820</u>	<u>9,395</u>

10 Trustees' and key management personnel remuneration and expenses

The trustees did not receive any remuneration from the charity in respect to their roles as trustees during the period.

A.C. Watling received gross remuneration of £12,000 (2019: £12,000) from the charity's subsidiary for his role as company director and received reimbursed expenses totalling £184 (2019: £363) through the subsidiary.

The total amount of employee benefits received by key management personnel is £48,461 (2019: £49,016). The charity considers all its staff to be key management personnel.

11 Staff costs and employee benefits

The average monthly number of employees during the year was three part time individuals, two of which are included in Investment Management Costs and one in Charitable Activities.

The total staff costs and employees benefits was as follows:

	Charity £	Subsidiary £	2020 Total £	2019 Total £
Wages and salaries	16,250	29,750	46,000	46,487
Social security	1,041	-	1,041	1,209
Pension contributions	-	1,420	1,420	1,320
	<u>17,291</u>	<u>31,170</u>	<u>48,461</u>	<u>49,016</u>

No employees received total employee benefits (excluding employer pension costs) of more than £60,000

The Geoffrey Watling Charity

Notes to the Accounts

Year ended 30 September 2020

12 Tangible Fixed Assets - Group	Freehold Investment Property £	Tangible Property £	Machinery and Office Equipment £	Total £
Cost or valuation				
As at 1 October 2019	3,341,887	37,000	32,397	3,411,284
Additions	-	-	6,401	6,401
Disposals	(825,000)	-	-	(825,000)
As at 30 September 2020	2,516,887	37,000	38,798	2,592,685
Depreciation				
As at 1 October 2019	28,887	-	19,863	48,750
Charge for the period	-	-	4,734	4,734
Disposals	-	-	-	-
As at 30 September 2020	28,887	-	24,597	53,484
Net book value				
Total as at 30 September 2020	2,488,000	37,000	14,201	2,539,201
Total as at 1 October 2019	3,313,000	37,000	12,534	3,362,534

Tangible Fixed Assets - Charity	Freehold Investment Property £	Tangible Property £	Total £
Cost or valuation			
As at 1 October 2019	228,000	37,000	265,000
As at 30 September 2020	228,000	37,000	265,000
Net book value			
As at 1 October 2019	228,000	37,000	265,000
As at 30 September 2020	228,000	37,000	265,000

Investment properties and freehold tangible property owned by the charity are included at fair value. Current values are based on a valuation undertaken by John Weston BSc (Hons) MRICS of Brown & Co - Property and Business Consultants LLP on 30 September 2018.

The methods and significant assumptions used to ascertain the fair value of £2,525,000 (2019: £3,350,000) for the group of investment and tangible property and £265,000 for the charity investment and tangible property are as follows:

Valuation is made in accordance with the RCIS Valuation - Professional Standards and complies with the International Valuation Standards.

The basis of the valuation is the estimated amount for which the assets should exchange on the valuation date in an arms length transaction based on vacant possession.

The historical cost of investment properties held by the group is £1,369,143 (2019: £2,402,158) and £9,382 regarding tangible property (2019: £9,382).

The Geoffrey Watling Charity

Notes to the Accounts

Year ended 30 September 2020

13 Investments - Group and Charity

	Listed Investments £
Cost or valuation	
As at 1 October 2019	12,083,396
Additions at cost	1,033,380
Unrealised gains on year end valuation	<u>336,230</u>
As at 30 September 2020	<u>13,453,006</u>

The fair value of listed investments is determined by reference to the quoted price for identical assets in an active market at the balance sheet date.

The investments above are held in the Sarasin Endowments Fund (previously called The Alpha CIF for Endowments Income Fund).

Subsidiary

The charity owns 100% of the share capital of Geoffrey Watling (Norwich) Limited (incorporated in England - registration number 0957457).

<i>Results of Geoffrey Watling (Norwich) Limited</i>	2020	2019
	£	£
Investment and property income	315,509	382,142
Direct costs	(92,492)	(77,959)
Overheads	(50,800)	(48,694)
Gain on disposal of investment property	128,450	-
Profit of the year before tax and gift aid	<u>300,667</u>	<u>255,489</u>
Gift aid	<u>193,193</u>	<u>255,820</u>
Net assets	<u>3,994,343</u>	<u>3,886,870</u>

The Geoffrey Watling Charity

Notes to the Accounts

Year ended 30 September 2020

	Charity 2020	Group 2020	Charity 2019	Group 2019
	£	£	£	£
14 Debtors : amounts due within one year				
Trade debtors	200	45,850	123	48,501
Other debtors	-	79,312	-	69,756
VAT	2,589	2,682	1,767	1,767
Prepayments and accrued income	-	-	95	95
Amounts due from subsidiary undertakings	68,193	-	255,820	-
	<u>70,982</u>	<u>127,844</u>	<u>257,805</u>	<u>120,119</u>

Debtors : amounts due after one year

Other debtors	-	506,975	-	563,465
---------------	---	---------	---	---------

Other debtors of £567,934 (2019: £619,359) represent five long-term loans, four of which totalling £340,789 (2019: £348,729) are unsecured and one of £227,144 (2019: £270,630) is secured against property at 2, 4 & 6 Ber Street, Norwich, Norfolk.

	Charity 2020	Group 2020	Charity 2019	Group 2019
	£	£	£	£
15 Creditors: amounts falling due within one year				
Accruals and deferred income	47,891	115,737	20,969	97,706
Other creditors	6,240	19,197	5,000	5,622
Accruals for grants payable	242,000	242,000	486,002	486,002
Other tax and social security	224	700	216	652
VAT	-	-	-	2,170
Amounts due to subsidiary undertakings	948,563	-	147,748	-
	<u>1,244,918</u>	<u>377,634</u>	<u>659,935</u>	<u>592,152</u>

	Charity 2020	Group 2020	Charity 2019	Group 2019
	£	£	£	£
Creditors: amounts falling due after more than one year				
Accruals for grants payable	36,500	36,500	3,000	3,000

	Charity 2020	Group 2020	Charity 2019	Group 2019
	£	£	£	£
Deferred income				
At 1 October 2019	-	57,611	-	55,075
Additions during the year	-	52,934	-	57,611
Amounts released to income	-	(57,611)	-	(55,075)
At 30 September 2020	-	<u>52,934</u>	-	<u>57,611</u>

Income has been deferred as related to rental income invoiced in advance of future periods.

The Geoffrey Watling Charity

Notes to the Accounts

Year ended 30 September 2020

16 Funds reconciliation

	Unrestricted funds 2020			Unrestricted funds 2019		
	General fund	Investment fund	Total	General fund	Investment fund	Total
	£	£	£	£	£	£
Balance at 1 October 2019/2018	762,064	15,734,421	16,496,485	628,360	15,244,248	15,872,608
Income	726,435	-	726,435	774,117	-	774,117
Expenditure	(687,328)	(68,179)	(755,507)	(640,413)	(65,945)	(706,358)
Net gains on investments	-	425,299	425,299	-	556,118	556,118
Balance at 30 September 2020/2019	<u>801,171</u>	<u>16,091,541</u>	<u>16,892,712</u>	<u>762,064</u>	<u>15,734,421</u>	<u>16,496,485</u>

Analysis of net assets between funds

	Unrestricted funds 2020			Unrestricted funds 2019		
	General fund	Investment fund	Total	General fund	Investment fund	Total
	£	£	£	£	£	£
Tangible assets	-	2,539,201	2,539,201	-	3,362,534	3,362,534
Investment assets	-	13,453,006	13,453,006	-	12,083,396	12,083,396
Cash investment assets	-	95	95	-	6,417	6,417
Debtors : due within one year	127,844	-	127,844	120,119	-	120,119
Debtors : due after one year	506,975	-	506,975	563,465	-	563,465
Cash at bank	708,936	99,239	808,175	673,632	282,074	955,706
Creditors: due within one year	(377,634)	-	(377,634)	(592,152)	-	(592,152)
Creditors: due after one year	(36,500)	-	(36,500)	(3,000)	-	(3,000)
	<u>801,171</u>	<u>16,091,541</u>	<u>16,892,712</u>	<u>762,064</u>	<u>15,734,421</u>	<u>16,496,485</u>

The Investment Fund was established with the initial transfer of capital from the estate of the late Geoffrey Watling. The income from the fund is used by the charity to undertake its objectives.

The Geoffrey Watling Charity

Notes to the Accounts

Year ended 30 September 2020

17 Analysis of changes in net debt

	Charity		
	At 1 October		At 30 September
	2019	Cash flows	2020
	£	£	£
Cash at bank and in hand	666,349	(147,099)	519,250

	Group		
	At 1 October		At 30 September
	2019	Cash flows	2020
	£	£	£
Cash at bank and in hand	962,123	(153,853)	808,270

18 Operating lease commitments

The company has the following long term lease commitments in place in relation to its owned properties:

	Term of Lease	Annual Rent
		£
The Dinosaur Park, Hemsby	31/12/2040	10,000
Olley's Shop, Hemsby	31/12/2100	2,841
Hollywood Diner, Hemsby	31/12/2025	20,000
Former Supermarket, Hemsby	02/05/2025	12,500
Lifeboat Station, Hemsby	31/12/2030	-

19 Commitment

At the year end the Charity had a revenue commitment of £6,766 (2019: £Nil) to complete renovation work on 8 Ber Street.

20 Results of the charity

The charity generated total income of £604,119 (2019: £647,795) which includes £193,193 (2019: £255,820) of gift aid from the company. Net increase in funds (after investment gains and losses) of £417,205 (2019: £624,206).