

The Geoffrey Watling Charity
Trustees Report and Financial Statements
For the year ended 30 September 2021

The Geoffrey Watling Charity

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Year ended 30 September 2021

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The Geoffrey Watling Charity

Trustees Report

Year ended 30 September 2021

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 A M Haswell
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 2021

The Trustees have pleasure in presenting their report and audited consolidated financial statements for the year ended 30 September 2021. 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 are mindful that their ability to allocate the Charity's funds now, and in the future, by making grants to others in need, is only possible if they manage the Group's investments effectively. The value of the investments at 30 September 2021 was £18,085,472 (2020: £16,460,161) comprising £3,050,000 (2020: £2,448,000) in investment property and £15,035,472 (2020: £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 2021

Optimum investment of the Group's assets (continued)

The Trustees have an investment policy developed in conjunction with the Charity's discretionary investment managers, Sarasin and 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.

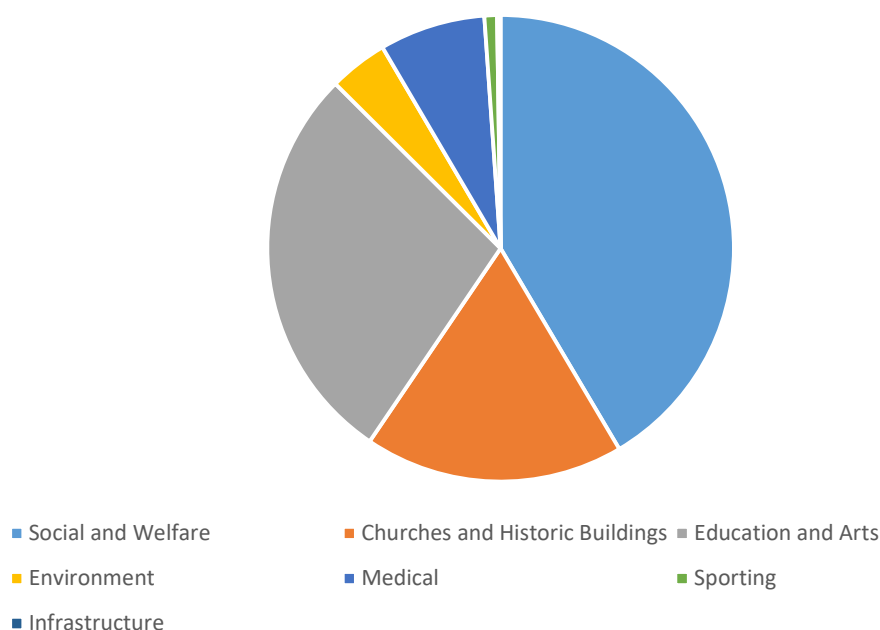
ACHIEVEMENTS AND PERFORMANCE

Based on these objectives and activities, the trustees are pleased to report on the achievements and performance of the Charity during the year to 30 September 2021.

Grant-making

During the year 2020/21, the Charity authorised spending of £424,350 on 118 grants and donations to other bodies with a charitable purpose, after taking account of a small number of grants which were withdrawn. (see Note 7 to the financial statements). Of the £424,350, £374,600 were grants (108 grants) and £49,750 were donations (10 donations). The cost to the charity of managing these activities was £24,123. (Note 5 to the financial statements).

An analysis of the grants made for various categories of purpose is set out in Note 7 to the financial statements. The following chart shows the relative distribution, by value, of the total grants awarded:



The Geoffrey Watling Charity

Trustees Report Continued

Year ended 30 September 2021

In assessing the beneficial effect of their grant making, the 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.

Investment of the Group's assets and its financial performance

Overall, the total return (capital gain and income) on assets invested was 10%, compared with 5.9% in 2019/20. Much of this return arose because of the large unrealised gain made on revaluing the portfolio of listed investments to their market value at 30 September 2021. In terms of liquidity, £564,322 (3.3%) of this return was received as income.

The market value of the investment portfolio at 30 September 2021 was £14,531,274. The most recent valuation, as at 11 March 2022 was £14,064,626.

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 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 LLP who state that: "The fund does not invest in tobacco manufactures and will also avoid investment in companies that generate significant revenues from the following: alcohol manufactures; armaments; gambling; pornography".

FINANCIAL REVIEW

During the year ended 30 September 2021 the Group generated net realised income of £484,119, from which it awarded £424,350 in grants and donations. The listed investment portfolio produced a net gain of £1,044,659 on revaluation to market value as at 30 September 2021, of investments held. A gain of £605,000 was made on the value of investment properties, following a valuation as at 30 September 2021, carried out by John Weston of Brown & Co. In total, the net assets of the group were increased during the year by £1,813,246, making the total funds of the Group £18,834,408 at 30 September 2021.

Fuller details of the consolidated financial results for the year ended 30 September 2021 can be found in the financial statements.

The Geoffrey Watling Charity

Trustees Report Continued

Year ended 30 September 2021

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 £741k (2020: £558k) which amounts to 13 months of expenditure. In addition, a further £14.5m (2020: £13.4m) was held within the investment portfolio, which is retained to generate a return on investment in accordance with the investment policy.

PLANS FOR FUTURE PERIODS

It is anticipated that, post pandemic, there will be a resurgence in grant applications from organisations seeking funding for projects. Recent work on the improvement of the Charity's website and the introduction of on-line grant applications should enable the Charity to deal efficiently with the expected increase in demand for funding.

The Geoffrey Watling Charity

Trustees Report Continued

Year ended 30 September 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Geoffrey Watling Charity is a registered Charity, number 1025258. It is an unincorporated association with significant invested funds.

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. 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.

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 2020/21 and/or are Trustees at the time of the approval of these financial statements are shown in the table below.

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. The Director of the Company meets with the company's property adviser on a regular basis and visits the Company's properties particularly during the summer season at Hemsby. They also attend Coastal Protection Meetings organised by Great Yarmouth Borough Council.

Alan Watling is Chairman of the Board.

Trustees

Trustee	Period of office
Alan C Watling	To August 2024
Susan P Watling	To June 2023
Richard S Marks	To December 2023
David J Lundean	To March 2022
Alexandra Haswell	To December 2024

(Alexandra Haswell was appointed as a trustee on 10 December 2021)

The Geoffrey Watling Charity

Trustees Report Continued

Year ended 30 September 2021

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

Accountant

Armana Handley

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 financial statements.

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.

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 last review was approved at the meeting of the Trustees on 10 December 2021.

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.

The Geoffrey Watling Charity

Trustees Report Continued

Year ended 30 September 2021

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. 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 accounting 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

David Lundean
Trustee

11 March 2022

The Geoffrey Watling Charity

Independent Auditor's Report to the Trustees

Year ended 30 September 2021

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 2021 which comprise the consolidated statement of financial activities, consolidated balance sheet, consolidated cash flow and notes to the financial statements, including 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 2021, 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 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

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

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

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

The Geoffrey Watling Charity

Independent Auditor's Report to the Trustees

Year ended 30 September 2021

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters 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 page 8, 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 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 2021

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.

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

- Enquiry of management and those charged with governance;
- Enquiry of entity staff compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of operations and reviewing accounting estimates for bias.

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

A further description of our responsibilities 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.

The Geoffrey Watling Charity

Independent Auditor's Report to the Trustees

Year ended 30 September 2021

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: 12 April 2022
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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 2021

	Note	Unrestricted General fund £	Unrestricted Investment fund £	2021 Total £	Unrestricted 2020 £
Income and endowments from:					
Investments	2	723,112	-	723,112	726,435
Total income and endowments		<u>723,112</u>	<u>-</u>	<u>723,112</u>	<u>726,435</u>
Expenditure on:					
Raising Funds					
Investment management costs	4	138,450	76,420	214,870	256,261
Charitable Activities	5	448,473	-	448,473	499,246
Total expenditure		<u>586,923</u>	<u>76,420</u>	<u>663,343</u>	<u>755,507</u>
Net income / (expenditure) before revaluation of investments		136,189	(76,420)	59,769	(29,072)
Net gains on investment portfolio		-	1,148,477	1,148,477	425,299
Gain on revaluation of investment properties		-	605,000	605,000	-
Net gains on sale of investment properties	3	<u>-</u>	<u>-</u>	<u>-</u>	<u>128,450</u>
Net income and net movement in funds		136,189	1,677,057	1,813,246	524,677
Reconciliation of funds:					
Total funds brought forward		929,621	16,091,541	17,021,162	16,496,485
Total funds carried forward		<u>1,065,810</u>	<u>17,768,598</u>	<u>18,834,408</u>	<u>17,021,162</u>

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 16 to 27 form an integral part of these financial statements.

The Geoffrey Watling Charity

Consolidated Balance Sheet

As at 30 September 2021

	Notes	2021		2020	
		Charity £	Group £	Charity £	Group £
Fixed Assets					
Tangible fixed assets (including investment properties)	12	330,000	3,143,854	265,000	2,539,201
Investments	13	14,531,274	14,531,274	13,453,006	13,453,006
Subsidiary	13	2,847,938	-	2,847,938	-
Cash deposits		-	-	95	95
		<u>17,709,212</u>	<u>17,675,128</u>	<u>16,566,039</u>	<u>15,992,302</u>
Current Assets					
Debtors : amounts falling due within one year	14	190,169	149,359	70,982	127,844
Debtors : amounts falling due after one year	14	-	418,154	-	506,975
Cash at bank and in hand		<u>504,198</u>	<u>986,317</u>	<u>519,155</u>	<u>808,175</u>
		<u>694,367</u>	<u>1,553,830</u>	<u>590,137</u>	<u>1,442,994</u>
Current Liabilities					
Creditors : Amounts falling due within one year	15	(1,255,229)	(394,550)	(1,244,918)	(377,634)
Net current assets		<u>(560,862)</u>	<u>1,159,280</u>	<u>(654,781)</u>	<u>1,065,360</u>
Total assets less current liabilities		<u>17,148,350</u>	<u>18,834,408</u>	<u>15,911,258</u>	<u>17,057,662</u>
Creditors : Amounts falling due after one year	15	-	-	(36,500)	(36,500)
Total net assets		<u><u>17,148,350</u></u>	<u><u>18,834,408</u></u>	<u><u>15,874,758</u></u>	<u><u>17,021,162</u></u>
Funds of the charity					
Unrestricted funds					
General	16	375,782	1,065,810	779,247	929,621
Investment	16	16,772,568	17,768,598	15,095,511	16,091,541
Total charity funds		<u><u>17,148,350</u></u>	<u><u>18,834,408</u></u>	<u><u>15,874,758</u></u>	<u><u>17,021,162</u></u>

These accounts were approved by the Trustees on 11 March 2022.

A C Watling
Trustee

D J Lundean
Trustee

The notes set out on pages 16 - 27 form an integral part of these financial statements.

The Geoffrey Watling Charity

Consolidated Cash Flow

As at 30 September 2021

	Charity 2021 £	Group 2021 £	Charity 2020 £	Group 2020 £
Net cash flow from operating activities	(395,628)	(507,185)	475,355	(793,957)
Cash flow from investing activities				
Payments to acquire tangible fixed assets	-	(4,271)	-	(6,401)
Payments to acquire investments	(33,609)	(33,609)	(1,033,380)	(1,033,380)
Receipts from disposal of investment properties	-	-	-	953,450
Rents received from investment properties	4,267	292,306	18,079	308,949
Interest received	66	20,954	1,454	26,093
Investment portfolio income	409,852	409,852	391,393	391,393
Net cash flow from investing activities	380,576	685,232	(622,454)	640,104
Net increase / (decrease) in cash and cash equivalents	(15,052)	178,047	(147,099)	(153,853)
Cash and cash equivalents at 1 October 2020	519,250	808,270	666,349	962,123
Cash and cash equivalents at 30 September 2021	<u>504,198</u>	<u>986,317</u>	<u>519,250</u>	<u>808,270</u>
Reconciliation of net income / (expenditure) to net cash flow from operating activities				
Net income for the year	1,273,592	1,813,246	417,205	524,677
Rents received from investment properties	(4,267)	(292,306)	(18,079)	(308,949)
Interest receivable	(66)	(20,954)	(1,454)	(26,093)
Investment portfolio income	(409,852)	(409,852)	(391,393)	(391,393)
Depreciation of tangible fixed assets	-	4,618	-	4,734
Investment management fees	103,818	103,818	89,069	89,069
(Gains) / losses in investments	(1,148,477)	(1,148,477)	(425,299)	(425,299)
Gain on sale of investment property	-	-	-	(128,450)
Profit on revaluation of investment properties	(65,000)	(605,000)	-	-
(Increase) / decrease in debtors	(119,187)	67,306	186,823	48,765
Increase / (decrease) in creditors	(26,189)	(19,584)	618,483	(181,018)
	<u>(395,628)</u>	<u>(507,185)</u>	<u>475,355</u>	<u>(793,957)</u>

The notes set out on pages 16 to 27 form an integral part of these financial statements.

The Geoffrey Watling Charity

Notes to the Accounts

Year ended 30 September 2021

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 2021

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 2021

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 2021.

(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 2021. 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 2021

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 2021

	General fund £	Investment fund £	Unrestricted 2021 Total £	Unrestricted 2020 Total £
2 Income from investments				
Rental income	292,306	-	292,306	308,949
Deposit interest	66	-	66	1,454
Interest on loans	20,888	-	20,888	24,639
Investment portfolio income	409,852	-	409,852	391,393
	<u>723,112</u>	<u>-</u>	<u>723,112</u>	<u>726,435</u>
3 Realised gains on the disposal of investment properties by Geoffrey Watling (Norwich) Ltd. in 2020 amounted to £128,450.				
4 Investment management costs				
Rent, rates and insurance	23,423	-	23,423	22,956
Repairs and maintenance	36,048	-	36,048	53,797
Wages and National insurance	20,520	-	20,520	19,170
Sundry	11,048	-	11,048	18,101
Management charges	23,011	71,802	94,813	88,567
Legal and professional fees	6,287	-	6,287	31,973
Directors remuneration	13,000	-	13,000	12,000
Depreciation and loss on disposal of assets	-	4,618	4,618	4,734
Governance costs (note 6)	5,113	-	5,113	4,963
	<u>138,450</u>	<u>76,420</u>	<u>214,870</u>	<u>256,261</u>
5 Analysis of expenditure on charitable activities				
Grants (note 7)	374,600	-	374,600	416,200
Donations (note 7)	49,750	-	49,750	50,000
Salaries	17,845	-	17,845	17,291
Sundry expenses	1,183	-	1,183	10,810
Governance costs (note 6)	5,095	-	5,095	4,945
	<u>448,473</u>	<u>-</u>	<u>448,473</u>	<u>499,246</u>
6 Governance costs				
Auditor's remuneration:				
Audit services - current year	10,000	-	10,000	10,000
- prior year	(1,130)	-	(1,130)	(1,430)
Other services	1,250	-	1,250	1,250
Other	88	-	88	88
	<u>10,208</u>	<u>-</u>	<u>10,208</u>	<u>9,908</u>

The Geoffrey Watling Charity

Notes to the Accounts

Year ended 30 September 2021

7 Analysis of grants

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

		2021 £	2020 £
Purpose			
Social and Welfare	57	178,000	280,200
Churches and Historic Buildings	27	77,100	43,000
Education and Arts	22	120,000	52,500
Environment	5	17,500	25,500
Medical	4	31,500	51,500
Sporting	4	3,750	17,500
Infrastructure	1	1,000	9,000
	<u>120</u>	<u>428,850</u>	<u>479,200</u>
Grants withdrawn	<u>2</u>	<u>4,500</u>	<u>13,000</u>
Total grants and donations	<u>118</u>	<u>424,350</u>	<u>466,200</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:

		£
Norwich Cathedral	Bursaries for boy and girl Choristers at Norwich Cathedral.	10,000
St Martins	Seasonal donation agreed by Trustees in December 2020.	10,000
St Elizabeth Hospice Suffolk	Additional Clinical Nurse specialist at Beccles Hospital.	10,000
The Garage Trust Ltd	Emergency roof repairs so studio space can be used.	15,000
Theatre Royal (Norwich) Trust Ltd	Replacement of Theatre Royal lighting to reduce costs.	15,000
Big C	Community based Cancer support centre in Norwich.	15,000
Norfolk Schools Sailing Association	Construct a safety boat store and new workshop.	15,000
The Norwich Diocesan Board of Finance Ltd	Emergency donation for the Afghanistan Refugee fund.	20,000
The Clare School	Purpose built Nursery on site.	25,000
		<u>135,000</u>

The Geoffrey Watling Charity

Notes to the Accounts

Year ended 30 September 2021

8 Net income for the year

Net income is stated after charging / (crediting):

	2021	2020
	£	£
Depreciation of tangible fixed assets	4,618	4,734
Gain on fair value movement of investments	1,148,477	425,299
(Gain)/Loss on disposal of fixed assets	-	(128,450)

9 Auditor's remuneration

	2021	2020
	£	£
Audit services - current year	10,000	10,000
- prior year	(1,130)	(1,430)
Other services	1,250	1,250
	10,120	9,820

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 £13,000 (2020: £12,000) from the charity's subsidiary for his role as company director and received reimbursed expenses totalling £219 (2020: £184) through the subsidiary.

The total amount of employee benefits received by key management personnel is £51,365 (2020: £48,461). 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	2021 Total	2020 Total
	£	£	£	£
Wages and salaries	16,750	32,000	48,750	46,000
Social security	1,095	-	1,095	1,041
Pension contributions	-	1,520	1,520	1,420
	17,845	33,520	51,365	48,461

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 2021

12 Tangible Fixed Assets - Group	Freehold Investment Property	Tangible Property	Machinery and Office Equipment	Total
	£	£	£	£
Cost or valuation				
As at 1 October 2020	2,516,887	37,000	38,798	2,592,685
Additions	-	-	4,271	4,271
Revaluation	562,000	43,000	-	605,000
As at 30 September 2021	3,078,887	80,000	43,069	3,201,956
Depreciation				
As at 1 October 2020	28,887	-	24,597	53,484
Charge for the period	-	-	4,618	4,618
As at 30 September 2021	28,887	-	29,215	58,102
Net book value				
Total as at 30 September 2021	3,050,000	80,000	13,854	3,143,854
Total as at 1 October 2020	2,488,000	37,000	14,201	2,539,201
Tangible Fixed Assets - Charity				
	Freehold Investment Property	Tangible Property		Total
	£	£		£
Cost or valuation				
As at 1 October 2020	228,000	37,000		265,000
Revaluation	22,000	43,000		65,000
As at 30 September 2021	250,000	80,000		330,000
Net book value				
As at 1 October 2020	228,000	37,000		265,000
As at 30 September 2021	250,000	80,000		330,000

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 2021.

The methods and significant assumptions used to ascertain the fair value of £3,130,000 (2020: £2,525,000) for the group of investment and tangible property and £330,000 (2020: £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 (2020: £1,369,143) and £9,382 regarding tangible property (2020: £9,382).

The Geoffrey Watling Charity

Notes to the Accounts

Year ended 30 September 2021

13 Investments - Group and Charity

	Listed Investments £
Cost or valuation	
As at 1 October 2020	13,453,006
Additions at cost	33,609
Unrealised gains on year end valuation	1,044,659
As at 30 September 2021	<u>14,531,274</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>	2021 £	2020 £
Investment and property income	307,167	315,509
Direct costs	(67,126)	(92,492)
Overheads	(56,145)	(50,800)
Gain on disposal of investment property	-	128,450
Gain on revaluation of investment properties	540,000	-
Profit of the year before tax and gift aid	<u>723,896</u>	<u>300,667</u>
Gift aid	<u>184,243</u>	<u>193,193</u>
Net assets	<u>4,533,996</u>	<u>3,994,343</u>

The Geoffrey Watling Charity

Notes to the Accounts

Year ended 30 September 2021

	Charity 2021	Group 2021	Charity 2020	Group 2020
	£	£	£	£
14 Debtors : amounts due within one year				
Trade debtors	100	55,548	200	45,850
Other debtors	-	87,985	-	79,312
VAT	5,826	5,826	2,589	2,682
Amounts due from subsidiary undertakings	184,243	-	68,193	-
	<u>190,169</u>	<u>149,359</u>	<u>70,982</u>	<u>127,844</u>

Debtors : amounts due after one year

Other debtors	-	418,154	-	506,975
	<u>-</u>	<u>418,154</u>	<u>-</u>	<u>506,975</u>

Other debtors include £499,206 (2020: £567,934) representing five long-term loans, four of which totalling £325,887 (2020: £340,789) are unsecured and one of £173,319 (2020: £227,144) is secured against property at 2, 4 & 6 Ber Street, Norwich, Norfolk.

15 Creditors: amounts falling due within one year

Accruals and deferred income	31,026	104,618	47,891	115,737
Other creditors	-	12,122	6,240	19,197
Accruals for grants payable	273,000	273,000	242,000	242,000
Other tax and social security	241	777	224	700
VAT	-	4,033	-	-
Amounts due to subsidiary undertakings	950,962	-	948,563	-
	<u>1,255,229</u>	<u>394,550</u>	<u>1,244,918</u>	<u>377,634</u>

Creditors: amounts falling due after more than one year

Accruals for grants payable	-	-	36,500	36,500
	<u>-</u>	<u>-</u>	<u>36,500</u>	<u>36,500</u>

Deferred income

At 1 October 2020	-	52,934	-	57,611
Additions during the year	-	59,940	-	52,934
Amounts released to income	-	(52,934)	-	(57,611)
At 30 September 2021	<u>-</u>	<u>59,940</u>	<u>-</u>	<u>52,934</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 2021

16 Funds reconciliation

	Unrestricted funds 2021			Unrestricted funds 2020		
	Investment		Total	Investment		Total
	General fund	fund		General fund	fund	
	£	£	£	£	£	£
Balance at 1 October 2020/2019	929,621	16,091,541	17,021,162	762,064	15,734,421	16,496,485
Income	723,112	-	723,112	726,435	-	726,435
Expenditure	(586,923)	(76,420)	(663,343)	(687,328)	(68,179)	(755,507)
Net gains on investments	-	1,148,477	1,148,477	128,450	425,299	553,749
Gain on revaluation of freehold properties	-	605,000	605,000	-	-	-
Balance at 30 September 2021/2020	1,065,810	17,768,598	18,834,408	929,621	16,091,541	17,021,162

Analysis of net assets between funds

	Unrestricted funds 2021			Unrestricted funds 2020		
	Investment		Total	Investment		Total
	General fund	fund		General fund	fund	
	£	£	£	£	£	£
Tangible assets	-	3,143,854	3,143,854	-	2,539,201	2,539,201
Investment assets	-	14,531,274	14,531,274	-	13,453,006	13,453,006
Cash investment assets	-	-	-	-	95	95
Debtors : due within one year	149,359	-	149,359	127,844	-	127,844
Debtors : due after one year	418,154	-	418,154	506,975	-	506,975
Cash at bank	892,847	93,470	986,317	708,936	99,239	808,175
Creditors: due within one year	(394,550)	-	(394,550)	(377,634)	-	(377,634)
Creditors: due after one year	-	-	-	(36,500)	-	(36,500)
	1,065,810	17,768,598	18,834,408	929,621	16,091,541	17,021,162

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 2021

17 Analysis of changes in net debt

	Charity		
	At 1 October 2020	Cash flows	As at 30 September 2021
	£	£	£
Cash at bank and in hand	519,250	(15,052)	504,198

	Group		
	At 1 October 2020	Cash flows	As at 30 September 2021
	£	£	£
Cash at bank and in hand	808,270	178,047	986,317

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 subject to CPI
Hollywood Diner, Hemsby	31/12/2025	£20,000
Former Supermarket, Hemsby	02/05/2025	£12,500
Lifeboat Station, Hemsby	31/12/2030	-

19 Results of the charity

The charity generated total income of £598,428 (2020:£604,119) which includes £184,243 (2020: £193,193) of gift aid from the company. Net increase in funds (after investment gains and losses) of £1,273,593 (2020: £417,205).