

**The Geoffrey Watling Charity**  
**Trustees Report and Financial Statements**  
**For the year ended 30 September 2022**

# The Geoffrey Watling Charity

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Year ended 30 September 2022

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# The Geoffrey Watling Charity

## Trustees Report

Year ended 30 September 2022

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### REFERENCE AND ADMINISTRATIVE DETAILS

<b>Charity name</b>	The Geoffrey Watling Charity
<b>Charity registration number</b>	1025258
<b>Registered address</b>	8a Ber Street Norwich Norfolk NR1 3EJ
<b>Trustees</b>	A C Watling (Chairman) S P Watling R S Marks D J Lundean A M Haswell (appointed 10 December 2021)
<b>Grants and Charity Administrator</b>	A Handley
<b>Bankers</b>	Barclays Bank Plc Barclay's Business Centre 3 St. James Court Whitefriars Norwich NR3 1RJ
<b>Property investment advisors</b>	Brown & Co 25-26 Tuesday Market Place Kings Lynn Norfolk PE30 1JJ
<b>Investment advisors</b>	Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU
<b>Auditor</b>	Lovewell Blake LLP Bankside 300 Peachman Way Broadland Business Park Norwich Norfolk NR7 0LB

# The Geoffrey Watling Charity

## Trustees Report

### Year ended 30 September 2022

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The Trustees have pleasure in presenting their report and audited consolidated financial statements for the year ended 30 September 2022. 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.

The Trustees confirm that they have had due regard to Charity Commission guidance on public benefit.

#### 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 2022 was £16,602,363 (2021: £18,085,472) comprising £3,050,000 (2021: £3,050,000) in investment property and £13,552,363 (2021: £15,035,472) 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 2022

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#### 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.

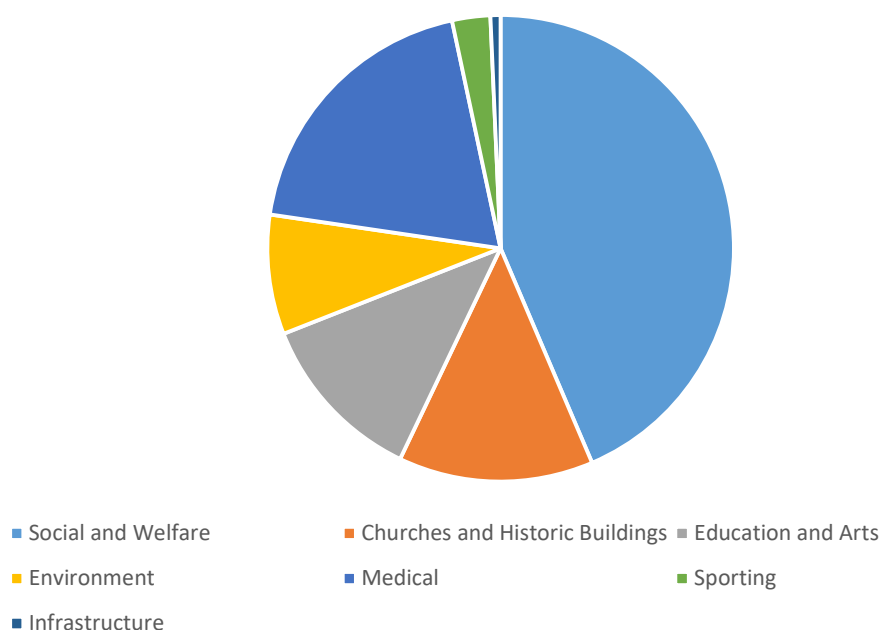
### **ACHIEVEMENTS AND PERFORMANCE**

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 2022.

#### Grant-making

During the year 2021/22, the Charity authorised spending of £553,750 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 £553,750, £533,200 were grants (110 grants) and £20,550 were donations (8 donations). The cost to the Charity of managing these activities was £25,913. (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 2022

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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.
- Paying site visits and attending presentations, at the request of beneficiaries, to see the impact of grants made or applied for.

#### Investment of the Group's assets and its financial performance

The Charity's investment portfolio had to be devalued by £1,459,991 to reflect the market valuation as at 30 September 2022, a date that proved to be a low point for equity and bond market investments in both the UK and overseas. Since then, the value of the portfolio has rallied significantly. The market value of the investment portfolio at 30 September 2022 was £12,998,481. The most recent valuation, as at 10 March 2023 was £13,644,287.

However, the Charity has always based its grant making decisions on the income generated by its investments. In the year to 30 September 2022, net investment income of £590,359 of income was generated, representing a 3.2% return on investments. (2021: £564,322, 3.3%).

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 2022 the Group generated net realised income of £509,107, from which it awarded £553,750 in grants and donations (the excess of grants approved over net realised income coming from income reserves generated in prior years). The listed investment portfolio produced a net loss of £1,459,991 on devaluation to market value at 30 September 2022, of investments held. In total, the net assets of the group were decreased during the year by £1,504,632, making the total funds of the Group £17,329,776 at 30 September 2022.

Fuller details of the consolidated financial results for the year ended 30 September 2022 can be found in the financial statements.

# **The Geoffrey Watling Charity**

## **Trustees Report Continued**

**Year ended 30 September 2022**

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### 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 £969k (2021: £741k) which amounts to 15 months of expenditure. In addition, a further £13m (2021: £14.5m) 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**

Work is continuing to develop and upgrade the operational efficiency of the Charity's database thus further improving the process of grant application processing. The trustees will continue to monitor the Company's investment assets in order to maximise the effectiveness of the operation of the Charity.

# The Geoffrey Watling Charity

## Trustees Report Continued

Year ended 30 September 2022

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### 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 2021/22 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. In the last year, all the Trustees visited Hemsby where John Weston led an on-site tour of the Company's properties. Visits have also been made by the Trustees to the land at Felthorpe, owned by the Company. The Trustees also made site visits during the year to some of the main beneficiaries of the grants they had awarded.

Alan Watling is Chairman of the Board.

#### Trustees

<b>Trustee</b>	<b>Period of office</b>
Alan C Watling	To August 2024
Susan P Watling	To June 2023
Richard S Marks	To December 2023
David J Lundean	To March 2025
Alexandra Haswell	To December 2024



# **The Geoffrey Watling Charity**

## **Trustees Report Continued**

### **Year ended 30 September 2022**

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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 first 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 25 November 2022.

#### **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 2022**

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### **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 and 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 UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity 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  
10 March 2023

# **The Geoffrey Watling Charity**

## **Independent Auditor's Report to the Trustees**

**Year ended 30 September 2022**

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### **Opinion**

We have audited the financial statements of The Geoffrey Watling Charity (the 'parent charity') and its subsidiary (the 'group') for the year ended 30 September 2022 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 2022, 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 2022**

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### **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 and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 2022**

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### **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 and review of minutes of trustees meetings which took place throughout the year;
- 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 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.

# **The Geoffrey Watling Charity**

## **Independent Auditor's Report to the Trustees**

**Year ended 30 September 2022**

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A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

### **Use of our report**

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

Lovewell Blake LLP  
Statutory Auditor

Date: 28 March 2023

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 2022

		Unrestricted			Unrestricted
	Note	General fund	Investment fund	2022 Total	2021
		£	£	£	£
<b>Income and endowments from:</b>					
Legacy received	2	1,400	-	1,400	-
Investments	3	746,408	-	746,408	723,112
<b>Total income and endowments</b>		<b>747,808</b>	<b>-</b>	<b>747,808</b>	<b>723,112</b>
<b>Expenditure on:</b>					
Raising Funds					
Investment management costs	4	135,267	77,519	212,786	214,870
Charitable Activities	5	579,663	-	579,663	448,473
<b>Total expenditure</b>		<b>714,930</b>	<b>77,519</b>	<b>792,449</b>	<b>663,343</b>
<b>Net income / (expenditure) before revaluation of investments</b>		<b>32,878</b>	<b>(77,519)</b>	<b>(44,641)</b>	<b>59,769</b>
<b>Net (losses)/gains on investment portfolio</b>		<b>-</b>	<b>(1,459,991)</b>	<b>(1,459,991)</b>	<b>1,148,477</b>
<b>Gain on revaluation of properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>605,000</b>
<b>Net income and net movement in funds</b>		<b>32,878</b>	<b>(1,537,510)</b>	<b>(1,504,632)</b>	<b>1,813,246</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		1,065,810	17,768,598	18,834,408	17,021,162
<b>Total funds carried forward</b>		<b>1,098,688</b>	<b>16,231,088</b>	<b>17,329,776</b>	<b>18,834,408</b>

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 2022

	Notes	2022		2021	
		Charity £	Group £	Charity £	Group £
<b>Fixed Assets</b>					
Tangible fixed assets (including investment properties)	12	330,000	3,147,244	330,000	3,143,854
Investments	13	12,998,481	12,998,481	14,531,274	14,531,274
Subsidiary	13	2,847,938	-	2,847,938	-
		<u>16,176,419</u>	<u>16,145,725</u>	<u>17,709,212</u>	<u>17,675,128</u>
<b>Current Assets</b>					
Debtors : amounts falling due within one year	14	169,601	201,300	190,169	149,359
Debtors : amounts falling due after one year	14	-	299,814	-	418,154
Cash deposits		501,777	501,777		
Cash at bank and in hand		52,105	577,491	504,198	986,317
		<u>723,483</u>	<u>1,580,382</u>	<u>694,367</u>	<u>1,553,830</u>
<b>Current Liabilities</b>					
Creditors : Amounts falling due within one year	15	(1,262,177)	(396,331)	(1,255,229)	(394,550)
<b>Net current assets</b>		<u>(538,694)</u>	<u>1,184,051</u>	<u>(560,862)</u>	<u>1,159,280</u>
<b>Total assets less current liabilities</b>		<u>15,637,725</u>	<u>17,329,776</u>	<u>17,148,350</u>	<u>18,834,408</u>
<b>Total net assets</b>		<u>15,637,725</u>	<u>17,329,776</u>	<u>17,148,350</u>	<u>18,834,408</u>
<b>Funds of the charity</b>					
Unrestricted funds					
General	16	402,667	1,098,688	375,782	1,065,810
Investment	16	15,235,058	16,231,088	16,772,568	17,768,598
<b>Total charity funds</b>		<u>15,637,725</u>	<u>17,329,776</u>	<u>17,148,350</u>	<u>18,834,408</u>

These accounts were approved by the Trustees and authorised for issue on 10 March 2023, and signed on behalf of the by:

A C Watling  
Chairman of Board of Trustees

R S Marks  
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 2022

	Charity 2022 £	Group 2022 £	Charity 2021 £	Group 2021 £
<b>Net cash flow from operating activities (below)</b>	(326,612)	(607,886)	(395,628)	(507,185)
<b>Cash flow from investing activities</b>				
Payments to acquire tangible fixed assets	-	(9,139)	-	(4,271)
Payments to acquire investments	(36,433)	(36,433)	(33,609)	(33,609)
Rents received from investment properties	17,745	329,805	4,267	292,306
Interest received	1,979	23,598	66	20,954
Investment portfolio income	393,005	393,005	409,852	409,852
<b>Net cash flow from investing activities</b>	<u>376,296</u>	<u>700,837</u>	<u>380,576</u>	<u>685,232</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	49,684	92,951	(15,052)	178,047
Cash and cash equivalents at 1 October 2021	504,198	986,317	519,250	808,270
Cash and cash equivalents at 30 September 2022	<u>553,882</u>	<u>1,079,268</u>	<u>504,198</u>	<u>986,317</u>
<b>Reconciliation of net income / (expenditure) to net cash flow from operating activities</b>				
Net (expenditure)/income for the year	(1,510,625)	(1,504,632)	1,273,592	1,813,246
Rents received from investment properties	(17,745)	(329,805)	(4,267)	(292,306)
Interest receivable	(1,979)	(23,598)	(66)	(20,954)
Investment portfolio income	(393,005)	(393,005)	(409,852)	(409,852)
Depreciation of tangible fixed assets	-	5,749	-	4,618
Investment management fees	109,235	109,235	103,818	103,818
Losses / (gains) in investments	1,459,991	1,459,991	(1,148,477)	(1,148,477)
Gain on revaluation of investment properties	-	-	(65,000)	(605,000)
(Increase) / decrease in debtors	20,568	66,399	(119,187)	67,306
Increase / (decrease) in creditors	6,948	1,781	(26,189)	(19,584)
	<u>(326,612)</u>	<u>(607,886)</u>	<u>(395,628)</u>	<u>(507,185)</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 2022

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### 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 2022

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### 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 2022

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### 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 grant. 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

All investment properties owned by the charity are included at fair value with changes in fair value recognised as net gains / (losses) on investment in the SOFA. 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 with changes in fair value recognised as net gains / (losses) on investment in the SOFA, and current value is 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.

The SOFA includes net gains and losses arising on revaluation and disposals throughout the year together with rebates received from investment managers.

The Charity's subsidiary is included at deemed cost based on the net asset value of the Company at the date of transfer from the estate of the late Geoffrey Watling, less any 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 2022

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### 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.

#### **(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.

#### **(n) Defined contribution plans**

Contributions as defined contribution plans are recognised as an expense in the period in which the related service is provided.

# The Geoffrey Watling Charity

## Notes to the Accounts

Year ended 30 September 2022

	General fund £	Investment fund £	Unrestricted 2022 Total £	Unrestricted 2021 Total £
<b>2 Donations and legacies</b>				
Legacy received	1,400	-	1,400	-
<b>3 Income from investments</b>	£	£	£	£
Rental income	329,805	-	329,805	292,306
Deposit interest	1,979	-	1,979	66
Interest on loans	21,619	-	21,619	20,888
Investment portfolio income	393,005	-	393,005	409,852
	<u>746,408</u>	<u>-</u>	<u>746,408</u>	<u>723,112</u>
<b>4 Investment management costs</b>	£	£	£	£
Rent, rates and insurance and utilities	31,116	-	31,116	23,423
Repairs and maintenance	22,292	-	22,292	36,048
Wages and National Insurance	21,600	-	21,600	20,520
Sundry	14,582	-	14,582	11,048
Management charges	24,514	71,770	96,284	94,813
Legal and professional fees	1,820	-	1,820	6,287
Directors remuneration	14,000	-	14,000	13,000
Depreciation and loss on disposal of assets	-	5,749	5,749	4,618
Governance costs (note 6)	5,343	-	5,343	5,113
	<u>135,267</u>	<u>77,519</u>	<u>212,786</u>	<u>214,870</u>
<b>5 Analysis of expenditure on charitable activities</b>	£	£	£	£
Grants (note 7)	533,200	-	533,200	374,600
Donations (note 7)	20,550	-	20,550	49,750
Salaries	18,963	-	18,963	17,845
Sundry expenses	1,620	-	1,620	1,183
Governance costs (note 6)	5,330	-	5,330	5,095
	<u>579,663</u>	<u>-</u>	<u>579,663</u>	<u>448,473</u>
<b>6 Governance costs</b>	£	£	£	£
Auditor's remuneration:				
Audit services - current year	10,100	-	10,100	10,000
- prior year	(820)	-	(820)	(1,130)
Other services	1,310	-	1,310	1,250
Other	83	-	83	88
	<u>10,673</u>	<u>-</u>	<u>10,673</u>	<u>10,208</u>

# The Geoffrey Watling Charity

## Notes to the Accounts

Year ended 30 September 2022

### 7 Analysis of grants and donations

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

		2022 £	2021 £
Purpose	Number		
Social and Welfare	59	247,050	178,000
Churches and Historic Buildings	25	76,500	77,100
Education and Arts	19	67,700	120,000
Environment	7	47,000	17,500
Medical	6	109,500	31,500
Sporting	3	15,000	3,750
Infrastructure	2	4,000	1,000
	<u>121</u>	<u>566,750</u>	<u>428,850</u>
Grants withdrawn	<u>3</u>	<u>13,000</u>	<u>4,500</u>
Total grants and donations	<u>118</u>	<u>553,750</u>	<u>424,350</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 City Community Sports Foundation	Onside : avoiding youth crime	10,000
St Martins	Seasonal Donation	10,000
Eaton Vale Scout & Guide Activity Centre	New kitchen at Icen House	10,000
SOUL Church	New community church in Heartsease	10,000
Norfolk Community Law Service	Funding for Court support services	12,000
NORCA and Sistema in Norwich Ltd Education & Arts	Orchestral music programme	15,000
University of East Anglia	Repairs to the Sainsbury Centre	16,000
Norfolk Wildlife Trust	Purchase of Sweetbriar Marshes	30,000
Norwich Samaritans	Rebuild the Norwich building	30,000
Norfolk Heart Trust	Cardiac scanner for NNUH	50,000
Priscilla Bacon Norfolk Hospice Care Ltd	New Priscilla Bacon Lodge building	50,000

# The Geoffrey Watling Charity

## Notes to the Accounts

Year ended 30 September 2022

### 8 Net income for the year

Net income is stated after charging / (crediting):

	2022	2021
	£	£
Depreciation of tangible fixed assets	5,749	4,618
(Loss)/gain on fair value movement of investments	<u>(1,459,991)</u>	<u>1,148,477</u>

### 9 Auditor's remuneration

	2022	2021
	£	£
Audit services - current year	10,100	10,000
- prior year	(820)	(1,130)
Other services	<u>1,310</u>	<u>1,250</u>
	<u>10,590</u>	<u>10,120</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 £14,000 (2021: £13,000) from the charity's subsidiary for his role as company director and received reimbursed expenses totalling £178 (2021: £219) through the subsidiary.

The total amount of employee benefits received by key management personnel is £53,563 (2021: £51,365). 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	2022 Total	2021 Total
	£	£	£	£
Wages and salaries	17,700	34,000	51,700	48,750
Social security	1,263	-	1,263	1,095
Pension contributions	-	1,600	<u>1,600</u>	<u>1,520</u>
	<u>18,963</u>	<u>35,600</u>	<u>54,563</u>	<u>51,365</u>

No employees received total employee benefits of more than £60,000 (2021: £nil).



# The Geoffrey Watling Charity

## Notes to the Accounts

Year ended 30 September 2022

12 Tangible Fixed Assets - Group	Freehold Investment Property £	Tangible Property £	Machinery and Office Equipment £	Total £
<b>Cost or valuation</b>				
As at 1 October 2021	3,078,887	80,000	43,069	3,201,956
Additions	-	-	9,139	9,139
Disposals	-	-	(7,438)	(7,438)
As at 30 September 2022	3,078,887	80,000	44,770	3,203,657
<b>Depreciation</b>				
As at 1 October 2021	28,887	-	29,215	58,102
Depreciation on disposals	-	-	(7,438)	(7,438)
Charge for the period	-	-	5,749	5,749
As at 30 September 2022	28,887	-	27,526	56,413
<b>Net book value</b>				
Total as at 30 September 2022	3,050,000	80,000	17,244	3,147,244
Total as at 30 September 2021	3,050,000	80,000	13,854	3,143,854
<b>Tangible Fixed Assets - Charity</b>	<b>Freehold Investment Property £</b>	<b>Tangible Property £</b>		<b>Total £</b>
<b>Cost or valuation</b>				
As at 1 October 2021	250,000	80,000		330,000
As at 30 September 2022	250,000	80,000		330,000
<b>Net book value</b>				
As at 1 October 2021	250,000	80,000		330,000
As at 30 September 2022	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 (2021: £3,130,000) for the group of investment and tangible property and £330,000 (2021: £330,000) 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 (2021: £1,369,143) and £9,382 regarding tangible property (2021: £9,382).

# The Geoffrey Watling Charity

## Notes to the Accounts

Year ended 30 September 2022

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### 13 Investments - Group and Charity

	Listed Investments £
Cost or valuation	
As at 1 October 2021	14,531,274
Additions at cost	36,433
Unrealised losses on year end valuation	(1,569,226)
As at 30 September 2022	<u>12,998,481</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>	<b>2022</b>	<b>2021</b>
	£	£
Investment and property income	333,678	307,167
Direct costs	(67,651)	(67,126)
Overheads	(57,678)	(56,145)
Gain on revaluation of investment properties	-	540,000
Profit of the year before tax and gift aid	<u>208,349</u>	<u>723,896</u>
Gift aid	<u>202,354</u>	<u>184,243</u>
Net assets	<u>4,539,991</u>	<u>4,533,996</u>

# The Geoffrey Watling Charity

## Notes to the Accounts

Year ended 30 September 2022

	Charity 2022	Group 2022	Charity 2021	Group 2021
	£	£	£	£
<b>14 Debtors : amounts due within one year</b>				
Trade debtors	6,100	70,206	100	55,548
Other debtors	-	127,792	-	87,985
VAT	1,147	3,302	5,826	5,826
Amounts due from subsidiary undertakings	162,354	-	184,243	-
	<u>169,601</u>	<u>201,300</u>	<u>190,169</u>	<u>149,359</u>
<b>Debtors : amounts due after one year</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Other debtors	-	299,814	-	418,154

Other debtors include £421,235 (2021: £499,206) representing five long-term loans, four of which totalling £312,672 (2021: £325,887) are unsecured and one of £108,563 (2021: £173,319) is secured against property at 2, 4 & 6 Ber Street, Norwich, Norfolk. The latter loan was repaid post year-end.

	£	£	£	£
<b>15 Creditors: amounts falling due within one year</b>				
Accruals and deferred income	27,953	101,105	31,026	104,618
Other creditors	-	14,398	-	12,122
Accruals for grants payable	279,000	279,000	273,000	273,000
Other tax and social security	277	828	241	777
VAT	1,000	1,000	-	4,033
Amounts due to subsidiary undertakings	953,947	-	950,962	-
	<u>1,262,177</u>	<u>396,331</u>	<u>1,255,229</u>	<u>394,550</u>
<b>Deferred income</b>				
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 October 2021	-	59,940	-	52,934
Additions during the year	-	60,968	-	59,940
Amounts released to income	-	(59,940)	-	(52,934)
At 30 September 2022	-	<u>60,968</u>	-	<u>59,940</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 2022

### 16 Funds reconciliation

	Unrestricted funds 2022			Unrestricted funds 2021		
	General	Investment	Total	General	Investment	Total
	fund	fund		fund	fund	
	£	£	£	£	£	£
Balance at 1 October	1,065,810	17,768,598	18,834,408	929,621	16,091,541	17,021,162
Income	747,808	-	747,808	723,112	-	723,112
Expenditure	(714,930)	(77,519)	(792,449)	(586,923)	(76,420)	(663,343)
Net (losses)/gains on investments	-	(1,459,991)	(1,459,991)	-	1,148,477	1,148,477
Gain on revaluation of properties	-	-	-	-	605,000	605,000
Balance at 30 September	<u>1,098,688</u>	<u>16,231,088</u>	<u>17,329,776</u>	<u>1,065,810</u>	<u>17,768,598</u>	<u>18,834,408</u>

### Analysis of net assets between funds

	Unrestricted funds 2022			Unrestricted funds 2021		
	General	Investment	Total	General	Investment	Total
	fund	fund		fund	fund	
	£	£	£	£	£	£
Tangible assets	-	3,147,244	3,147,244	-	3,143,854	3,143,854
Investment assets	-	12,998,481	12,998,481	-	14,531,274	14,531,274
Debtors : due within one year	201,300	-	201,300	149,359	-	149,359
Debtors : due after one year	299,814	-	299,814	418,154	-	418,154
Cash deposits	501,777	-	501,777	-	-	-
Cash at bank	492,128	85,363	577,491	892,847	93,470	986,317
Creditors: due within one year	(396,331)	-	(396,331)	(394,550)	-	(394,550)
	<u>1,098,688</u>	<u>16,231,088</u>	<u>17,329,776</u>	<u>1,065,810</u>	<u>17,768,598</u>	<u>18,834,408</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 2022

### 17 Analysis of changes in net debt

	Charity		
	At 1 October 2021	Cash flows	As at 30 September 2022
	£	£	£
Cash deposits	-	501,777	501,777
Cash at bank and in hand	504,198	(452,093)	52,105
	504,198	49,684	553,882

	Group		
	At 1 October 2021	Cash flows	As at 30 September 2022
	£	£	£
Cash deposits	-	501,777	501,777
Cash at bank and in hand	986,317	(408,826)	577,491
	986,317	92,951	1,079,268

### 18 Operating lease commitments

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

	Term of Lease	Annual Rent
Commerical premises, Hemsby	Dec 2040	£10,000
Commerical premises, Hemsby	Dec 2100	£2,841 subject to CPI
Commerical premises, Hemsby	Dec 2025	£20,000
Commerical premises, Hemsby	May 2025	£12,500
Lifeboat Station, Hemsby	Dec 2030	-
Commerical premises, Hemsby	Dec 2030	£10,000 subject to CPI
Commerical premises, Norwich	Dec 2026	£20,000 - £22,500
Land access rights, Norwich	Jan 3012	£100

### 19 Results of the charity

The charity generated total net expenditure of £50,636 (2021: £598,428 net income) which includes £202,354 (2021: £184,243) of gift aid from the company. Net decrease in funds (after investment gains and losses) of £1,510,625 (2021: £1,273,593 net increase).