

The Geoffrey Watling Charity
Trustees Report and Financial Statements
For the year ended 30 September 2023

The Geoffrey Watling Charity

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Year ended 30 September 2023

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The Geoffrey Watling Charity

Trustees Report

Year ended 30 September 2023

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 2023

The Trustees have pleasure in presenting their report and audited consolidated financial statements for the year ended 30 September 2023. 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 2023 was £17,111,696 (2022: £16,602,363) comprising £2,800,000 (2022: £3,050,000) in investment property and £14,311,696 (2022: £13,552,363) 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 2023

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.

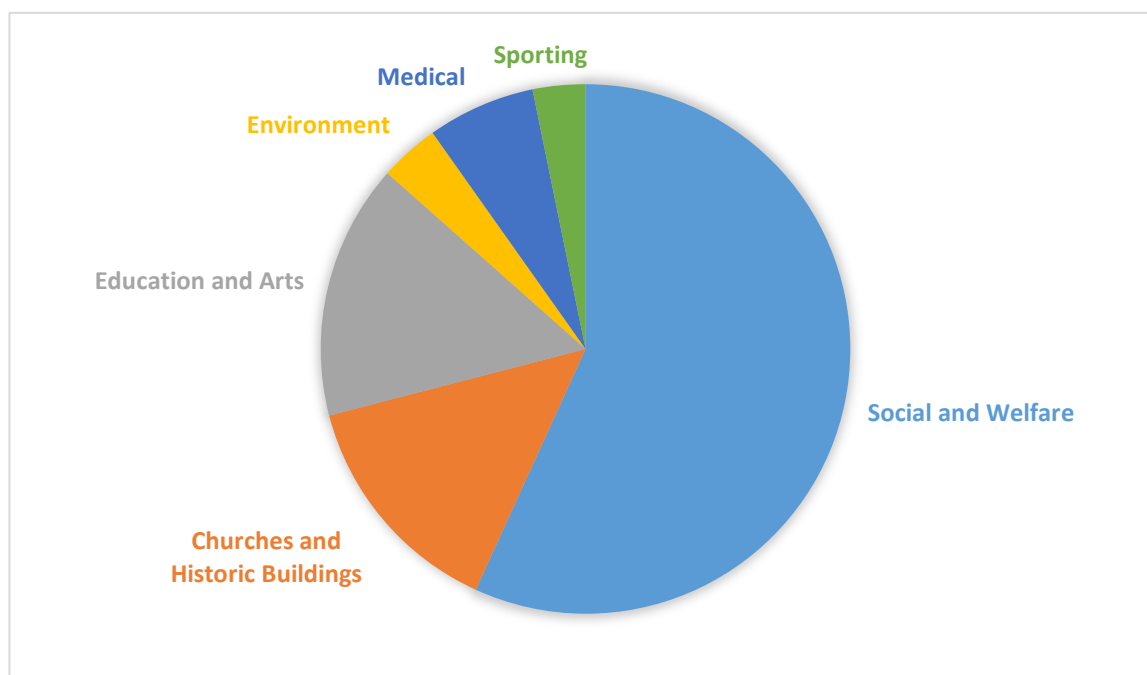
ACHIEVEMENTS AND PERFORMANCE

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 2023.

Grant-making

During the year 2022/23, the Charity authorised spending of £446,225 on 110 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 £446,225, £421,225 (2022: £533,200) were grants and £25,000 (2022: £20,550) were donations. The cost to the charity of managing these activities was £28,915 (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 2023

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 value increased in the year by £540,338, a significant improvement on the decrease in value for the previous year of £1,459,991. The market value of the investment portfolio at 30 September 2023 was £13,436,564. The most recent valuation, as at 28 February 2024, was £14,615,311.

Overall, the total return (capital gain and income) on assets invested was 6.2%. More than half of this return arose because of the unrealised gain made on revaluing the portfolio of listed investments to their market value at 30 September 2023.

The Charity has, however, always based its grant making decisions on the realised income generated by its investments. In the year to 30 September 2023, £513,610 of income was generated, representing a 3% return on investments. (2022: £590,359, 3.2%).

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". Since at least COP26, Sarasins have also withdrawn investments that could affect global warming.

FINANCIAL REVIEW

During the year ended 30 September 2023 the Group generated net realised income of £435,293, from which it awarded £446,225 in grants and donations. The listed investment portfolio produced a net unrealised gain of £540,338 on revaluation to market value at 30 September 2023, on investments held.

Following storms in November 2023 and January 2024 there has been substantial coastal erosion at Hemsby resulting in the loss of land owned by the group. Following advice from the group's property investment advisor the valuation of certain investment properties has been reduced by £250,000 and this has been reflected in the group accounts to 30 September 2023.

In total, the net assets of the group increased during the year by £279,406, making the total funds of the Group £17,609,182 at 30 September 2023.

The Geoffrey Watling Charity

Trustees Report Continued

Year ended 30 September 2023

The group has also incurred expenditure of approximately £45,000 since 30 September 2023 on dealing with repair works at Hemsby associated with the storm and coastal erosion damage.

Since the year end £500,000 has been invested into higher yielding cash deposits via a new account with Insignis Asset Management Ltd.

Fuller details of the consolidated financial results for the year ended 30 September 2023 can be found in the financial statements.

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 £980k (2022: £969k) which amounts to 16 months of expenditure. In addition, a further £13.4m (2022: £13m) 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 to maximise the effectiveness of the operation of the Charity.

The Geoffrey Watling Charity

Trustees Report Continued

Year ended 30 September 2023

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 2022/23 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.

Alan Watling is Chairman of the Board.

Trustees

Trustee	Period of office
Alan C Watling	To August 2024
Susan P Watling	To June 2026
Richard S Marks	To December 2026
David J Lundean	To March 2025
Alexandra Haswell	To December 2024

The Geoffrey Watling Charity

Trustees Report Continued

Year ended 30 September 2023

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 with a further partial review undertaken in December 2023.

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 2023

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

8th March 2024

The Geoffrey Watling Charity

Independent Auditor's Report to the Trustees

Year ended 30 September 2023

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 2023 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 2023, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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 2023

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. Our opinion on the financial statements does not cover the other information and 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 trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 the 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 2023

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 the Act and relevant regulations made or having effect thereunder.

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 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 2023

A further description of our responsibilities is available 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: 19 April 2024

Bankside 300
Peachman Way
Broadland Business Park
Norwich
Norfolk, NR7 0LB

Lovewell Blake LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

The Geoffrey Watling Charity

Consolidated Statement of Financial Activities

Year ended 30 September 2023

		Unrestricted			Unrestricted
	Note	General fund	Investment fund	2023 Total	2022
		£	£	£	£
Income and endowments from:					
Legacy received	2	-	-	-	1,400
Investments	3	716,378	-	716,378	746,408
Total income and endowments		716,378	-	716,378	747,808
Expenditure on:					
Raising Funds					
Investment management costs	4	178,748	73,422	252,170	212,786
Charitable Activities	5	475,140	-	475,140	579,663
Total expenditure		653,888	73,422	727,310	792,449
Net income / (expenditure) before revaluation of investments		62,490	(73,422)	(10,932)	(44,641)
Net (losses)/gains on investment portfolio		-	540,338	540,338	(1,459,991)
Loss on revaluation of properties		-	(250,000)	(250,000)	-
Net income and net movement in funds		62,490	216,916	279,406	(1,504,632)
Reconciliation of funds:					
Total funds brought forward		1,098,688	16,231,088	17,329,776	18,834,408
Total funds carried forward		1,161,178	16,448,004	17,609,182	17,329,776

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 2023

	Notes	2023		2022	
		Charity £	Group £	Charity £	Group £
Fixed Assets					
Tangible fixed assets (including investment properties)	12	330,000	2,892,933	330,000	3,147,244
Investments	13	13,436,564	13,436,564	12,998,481	12,998,481
Subsidiary	13	2,847,938	-	2,847,938	-
		<u>16,614,502</u>	<u>16,329,497</u>	<u>16,176,419</u>	<u>16,145,725</u>
Current Assets					
Debtors : amounts falling due within one year	14	20,107	79,274	169,601	201,300
Debtors : amounts falling due after one year	14	-	302,012	-	299,814
Cash deposits		33,122	33,122	501,777	501,777
Cash at bank and in hand		842,010	1,309,280	52,105	577,491
		<u>895,239</u>	<u>1,723,688</u>	<u>723,483</u>	<u>1,580,382</u>
Current Liabilities					
Creditors : Amounts falling due within one year	15	(1,338,289)	(444,003)	(1,262,177)	(396,331)
Net current assets		<u>(443,050)</u>	<u>1,279,685</u>	<u>(538,694)</u>	<u>1,184,051</u>
Total assets less current liabilities		<u>16,171,452</u>	<u>17,609,182</u>	<u>15,637,725</u>	<u>17,329,776</u>
Total net assets		<u>16,171,452</u>	<u>17,609,182</u>	<u>15,637,725</u>	<u>17,329,776</u>
Funds of the charity					
Unrestricted funds					
General	16	469,478	1,161,178	402,667	1,098,688
Investment	16	15,701,974	16,448,004	15,235,058	16,231,088
Total charity funds		<u>16,171,452</u>	<u>17,609,182</u>	<u>15,637,725</u>	<u>17,329,776</u>

These accounts were approved by the Trustees and authorised for issue on 8 March 2024, and signed on behalf of the by:

A C Watling
Chairman of Board of Trustees

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 2023

	Charity 2023 £	Group 2023 £	Charity 2022 £	Group 2022 £
Net cash flow from operating activities (below)	(111,396)	(453,244)	(326,612)	(607,886)
Cash flow from investing activities				
Payments to acquire tangible fixed assets	-	-	-	(9,139)
Payments to acquire investments	-	-	(36,433)	(36,433)
Rents received from investment properties	25,363	284,202	17,745	329,805
Interest received	13,638	38,530	1,979	23,598
Investment portfolio income	393,645	393,645	393,005	393,005
Net cash flow from investing activities	432,646	716,378	376,296	700,837
Net increase in cash and cash equivalents	321,250	263,134	49,684	92,951
Cash and cash equivalents at 1 October 2023	553,882	1,079,268	504,198	986,317
Cash and cash equivalents at 30 September 2023	875,132	1,342,402	553,882	1,079,268
Reconciliation of net income / (expenditure) to net cash flow from operating activities				
Net income /(expenditure) for the year	533,727	279,406	(1,510,625)	(1,504,632)
Rents received from investment properties	(25,363)	(284,202)	(17,745)	(329,805)
Interest receivable	(13,638)	(38,530)	(1,979)	(23,598)
Investment portfolio income	(393,645)	(393,645)	(393,005)	(393,005)
Depreciation of tangible fixed assets	-	4,311	-	5,749
Investment management fees	102,255	102,255	109,235	109,235
Losses / (gains) on revaluation of investments	(540,338)	(540,338)	1,459,991	1,459,991
Losses on revaluation of investment properties	-	250,000	-	-
Decrease in debtors	149,494	119,828	20,568	66,399
Increase in creditors	76,112	47,672	6,948	1,781
	(111,396)	(453,244)	(326,612)	(607,886)

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 2023

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 2023

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 2023

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

Investment properties owned by the company are included at open market 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. Following the impact of coastal erosion the valuation of the investment properties have been reduced by £250,000.

(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 2023

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 2023

	General fund £	Investment fund £	Unrestricted 2023 Total £	Unrestricted 2022 Total £
2 Donations and legacies				
Legacy received	-	-	-	1,400
3 Income from investments	£	£	£	£
Rental income	284,202	-	284,202	329,805
Deposit interest	13,638	-	13,638	1,979
Interest on loans	24,892	-	24,892	21,619
Investment portfolio income	393,645	-	393,645	393,005
	716,378	-	716,378	746,408
4 Investment management costs	£	£	£	£
Rent, rates and insurance and utilities	31,244	-	31,244	31,116
Repairs and maintenance	48,462	-	48,462	22,292
Wages and National Insurance	22,950	-	22,950	21,600
Sundry	20,685	-	20,685	14,582
Management charges	27,362	69,111	96,473	96,284
Legal and professional fees	3,238	-	3,238	1,820
Directors remuneration	15,000	-	15,000	14,000
Depreciation and loss on disposal of assets	-	4,311	4,311	5,749
Governance costs (note 6)	9,806	-	9,806	5,343
	178,748	73,422	252,170	212,786
5 Analysis of expenditure on charitable activities	£	£	£	£
Grants (note 7)	421,225	-	421,225	533,200
Donations (note 7)	25,000	-	25,000	20,550
Salaries	20,376	-	20,376	18,963
Sundry expenses	1,622	-	1,622	1,620
Governance costs (note 6)	6,917	-	6,917	5,330
	475,140	-	475,140	579,663
6 Governance costs	£	£	£	£
Auditor's remuneration:				
Audit services - current year	13,500	-	13,500	10,100
- prior year	400	-	400	(820)
Other services	2,740	-	2,740	1,310
Other	83	-	83	83
	16,723	-	16,723	10,673

The Geoffrey Watling Charity

Notes to the Accounts

Year ended 30 September 2023

7 Analysis of grants and donations

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

		2023		2022
		£		£
Purpose	Number			
Social and Welfare	62	265,150	41.5%	247,050
Churches and Historic Buildings	21	66,000	18.0%	76,500
Education and Arts	21	72,775	28.0%	67,700
Environment	5	17,000	4.1%	47,000
Medical	4	30,800	7.3%	109,500
Sporting	5	15,000	0.9%	15,000
Infrastructure	-	-		4,000
	<u>118</u>	<u>466,725</u>	1	<u>566,750</u>
Grants withdrawn	<u>8</u>	<u>20,500</u>		<u>13,000</u>
Total grants and donations	<u>110</u>	<u>446,225</u>		<u>553,750</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 Historic Churches Trust	St Margaret De Westwick conservation project	10,000
Big C	Support for eight sites in Norfolk and Waveney	10,000
St Martins	Donation for St Martins	10,000
Norfolk Accident Rescue Service	Cardiac arrest defibrillator monitor	10,000
Multiple Sclerosis Therapy Centre Norfolk	Seven Motomed forced activity bikes	10,800
St Mary Magdalene Parish Church	New doors and work to the church tower	10,000
YMCA Norfolk	Life Ready Great Yarmouth training programme	12,500
National Centre for Writing	To provide new spaces at Dragon Hall, Norwich	15,000
Culture and Events Team Norwich City Council	Refurbishment of The Halls arts venue	20,000
Centre 81 Limited	Converting activity room and central atrium	25,000
Thornage Hall Independent Living	Orchard Lodge new building	25,000

The Geoffrey Watling Charity

Notes to the Accounts

Year ended 30 September 2023

8 Net income for the year

Net income is stated after charging / (crediting):

	2023	2022
	£	£
Depreciation of tangible fixed assets	4,311	5,749
Gain/(loss) on fair value movement of investments	540,338	(1,459,991)

9 Auditor's remuneration

	2023	2022
	£	£
Audit services - current year	13,500	10,100
- prior year	400	(820)
Other services	2,740	1,310
	16,640	10,590

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 £15,000 (2022: £14,000) from the charity's subsidiary for his role as company director and received reimbursed expenses totalling £237 (2022: £178) through the subsidiary.

The total amount of employee benefits received by key management personnel is £58,326 (2022: £54,563). 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	2023 Total	2022 Total
	£	£	£	£
Wages and salaries	19,000	36,250	55,250	51,700
Social security	1,376	-	1,376	1,263
Pension contributions	-	1,700	1,700	1,600
	20,376	37,950	58,326	54,563

No employees received total employee benefits of more than £60,000 (2022: £nil).

The Geoffrey Watling Charity

Notes to the Accounts

Year ended 30 September 2023

12 Tangible Fixed Assets - Group	Freehold Investment Property £	Tangible Property £	Machinery and Office Equipment £	Total £
Cost or valuation				
As at 1 October 2022	3,078,887	80,000	44,770	3,203,657
Revaluation	(250,000)	-	-	(250,000)
As at 30 September 2023	2,828,887	80,000	44,770	2,953,657
Depreciation				
As at 1 October 2022	28,887	-	27,526	56,413
Charge for the period	-	-	4,311	4,311
As at 30 September 2023	28,887	-	31,837	60,724
Net book value				
Total as at 30 September 2023	2,800,000	80,000	12,933	2,892,933
Total as at 30 September 2022	3,050,000	80,000	17,244	3,147,244
Tangible Fixed Assets - Charity	Freehold Investment Property £	Tangible Property £		Total £
Cost or valuation				
As at 1 October 2022	250,000	80,000		330,000
As at 30 September 2023	250,000	80,000		330,000
Net book value				
As at 1 October 2022	250,000	80,000		330,000
As at 30 September 2023	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. Following the impact of ongoing coastal erosion the valuation of the investment properties have been reduced by £250,000.

The methods and significant assumptions used to ascertain the fair value of £2,880,000 (2022: £3,130,000) for the group of investment and tangible property and £330,000 (2022: £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 (2022: £1,369,143) and £9,382 regarding tangible property (2022: £9,382).

The Geoffrey Watling Charity

Notes to the Accounts

Year ended 30 September 2023

13 Investments - Group and Charity

	Listed Investments £
Cost or valuation	
As at 1 October 2022	12,998,481
Unrealised gains on year end valuation	438,083
As at 30 September 2023	<u>13,436,564</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>	2023 £	2022 £
Investment and property income	283,397	333,678
Direct costs	(113,621)	(67,651)
Overheads	(65,088)	(57,678)
Loss on revaluation of investment properties	(250,000)	-
Profit of the year before tax and gift aid	<u>(145,312)</u>	<u>208,349</u>
Gift aid	<u>109,009</u>	<u>202,354</u>
Net assets	<u>4,285,670</u>	<u>4,539,991</u>

The Geoffrey Watling Charity

Notes to the Accounts

Year ended 30 September 2023

	Charity 2023	Group 2023	Charity 2022	Group 2022
	£	£	£	£
14 Debtors : amounts due within one year				
Trade debtors	100	51,217	6,100	70,206
Other debtors and prepayments	10,998	28,057	-	127,792
VAT	-	-	1,147	3,302
Amounts due from subsidiary undertakings	9,009	-	162,354	-
	<u>20,107</u>	<u>79,274</u>	<u>169,601</u>	<u>201,300</u>
Debtors : amounts due after one year	£	£	£	£
Other debtors	-	302,012	-	299,814

Other debtors include £312,193 (2022: £421,235) representing four long-term loans, all of which are unsecured.

	Charity 2023	Group 2023	Charity 2022	Group 2022
	£	£	£	£
15 Creditors: amounts falling due within one year				
Accruals and deferred income	23,674	105,680	27,953	101,105
Other creditors	-	15,130	-	14,398
Accruals for grants payable	307,250	307,250	279,000	279,000
Other tax and social security	307	958	277	828
VAT	1,790	14,985	1,000	1,000
Amounts due to subsidiary undertakings	1,005,268	-	953,947	-
	<u>1,338,289</u>	<u>444,003</u>	<u>1,262,177</u>	<u>396,331</u>
Deferred income	Charity 2023	Group 2023	Charity 2022	Group 2022
	£	£	£	£
At 1 October 2022	-	60,968	-	59,940
Additions during the year	-	66,086	-	60,968
Amounts released to income	-	(60,968)	-	(59,940)
At 30 September 2023	<u>-</u>	<u>66,086</u>	<u>-</u>	<u>60,968</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 2023

16 Funds reconciliation

	Unrestricted funds 2023			Unrestricted funds 2022		
	General	Investment	Total	General	Investment	Total
	fund	fund		fund	fund	
	£	£	£	£	£	£
Balance at 1 October	1,098,688	16,231,088	17,329,776	1,065,810	17,768,598	18,834,408
Income	716,378	-	716,378	747,808	-	747,808
Expenditure	(653,888)	(73,422)	(727,310)	(714,930)	(77,519)	(792,449)
Net gains / (losses) on investments	-	540,338	540,338	-	(1,459,991)	(1,459,991)
Losses on revaluation of properties	-	(250,000)	(250,000)	-	-	-
Balance at 30 September	<u>1,161,178</u>	<u>16,448,004</u>	<u>17,609,182</u>	<u>1,098,688</u>	<u>16,231,088</u>	<u>17,329,776</u>

Analysis of net assets between funds

	Unrestricted funds 2023			Unrestricted funds 2022		
	General	Investment	Total	General	Investment	Total
	fund	fund		fund	fund	
	£	£	£	£	£	£
Tangible assets	-	2,892,933	2,892,933	-	3,147,244	3,147,244
Investment assets	-	13,436,564	13,436,564	-	12,998,481	12,998,481
Debtors : due within one year	79,274	-	79,274	201,300	-	201,300
Debtors : due after one year	302,012	-	302,012	299,814	-	299,814
Cash deposits	33,122	-	33,122	501,777	-	501,777
Cash at bank	1,190,773	118,507	1,309,280	492,128	85,363	577,491
Creditors: due within one year	(444,003)	-	(444,003)	(396,331)	-	(396,331)
	<u>1,161,178</u>	<u>16,448,004</u>	<u>17,609,182</u>	<u>1,098,688</u>	<u>16,231,088</u>	<u>17,329,776</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 2023

17 Analysis of changes in net debt

	Charity		
	At 1 October	Cash flows	As at 30 September
	2022	2023	2023
	£	£	£
Cash deposits	501,777	(468,655)	33,122
Cash at bank and in hand	52,105	789,905	842,010
	553,882	321,250	875,132

	Group		
	At 1 October	Cash flows	As at 30 September
	2022	2023	2023
	£	£	£
Cash deposits	501,777	(468,655)	33,122
Cash at bank and in hand	577,491	731,789	1,309,280
	1,079,268	263,134	1,342,402

18 Operating lease commitments

The group has a number of long term lease commitments in place in relation to rents charged to tenants in its owned properties. The terms of the leases vary in length and rental charge and are managed by the group's property investment advisors.

19 Post balance sheet event

Following storms in November 2023 and January 2024 there has been substantial coastal erosion at Hemsby, resulting in loss of land owned by the group. The lost land has been recognised in the accounts at nil value for some years due to ongoing coastal erosion. As a result of the erosion the group has incurred expenditure of approximately £45,000 since 30 September 2023 dealing with repair works at Hemsby.

20 Results of the charity

The charity generated total net expenditure (before investment gains) of £6,611 (2022: £50,636 net expenditure) which includes £109,009 (2022: £202,354) of gift aid from the company. Net increase in funds (after investment gains and losses) of £533,727 (2022: £1,510,625 net decrease).