

The Earl of Northampton's Charity



Trustee's Annual Report & Financial Statements 2021

Charity Commission Number 210291

Foreword

The Earl of Northampton's Charity (the Charity) is responsible for the management of the almshouses at Trinity Hospital Greenwich and Trinity Hospital Shotesham. Henry Howard, Earl of Northampton entrusted the management of the almshouses in Greenwich, to the Mercers' Company's care in 1614.

The original almshouses were for twelve poor residents from Greenwich and eight from Shotesham. In 1879 further almshouses were built in Shotesham, Norfolk (the Earl of Northampton's birthplace) to house the residents from Shotesham.

Today, the Charity continues to provide spacious, attractive and affordable accommodation with good communal facilities for beneficiaries. The Charity also makes grants for relief in need.



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Trustee's Annual Report for the year ended 31 March 2021

The Mercers' Company as the Trustee of the Charity presents its Report and audited financial statements for the year ended 31 March 2021. The financial statements have been prepared in accordance with the accounting principles set out in note 1 to the financial statements and comply with the Charity's Scheme of Management, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Objectives and activities for public benefit

The objects of the Charity are for the provision of housing accommodation for beneficiaries (in the prescribed areas of Greenwich and Shotesham); charitable purposes for the benefit of the residents; and the relief of those in need, hardship or distress by the provision of grants.

In addition, the Charity is required to make a set number of grants as stipulated in the Scheme of Management. These are as follows:

- i. Trinity Hospital Clun (£3,000 set by the Scheme but not exceeding £10,000);
- ii. Trinity Hospital Castle Rising (£3,000 set by the Scheme but not exceeding £15,000);
- iii. Jubilee Almshouses, Greenwich, (£1,000 set by the Scheme but not exceeding £6,000).

The Trustee confirms that it has complied with its duty under Section 17 Charities Act 2011 to have due regard to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives, in planning future activities and in setting the grant making policy for the year.

Provision of Housing – Achievements, Impact and Future Plans

- a. **Achievements** – the continuation of the successful operation of the two almshouse sites throughout the Covid-19 pandemic with minimal disruption. The residents were kept safe with increased communication and support. Many of the usual social events planned for residents had to be cancelled; however, some were adapted to be Covid-safe, and therefore there was still an element of social engagement. All residents have now received both doses of the vaccine. Voids were kept to a minimum, the Housing Team and contractors remained dedicated to ensuring the continued high-quality operation of the schemes at a time of significant challenge, following government guidance in order to keep up to date with maintenance at the sites. There are a total of 55 residents occupying 47 units across the two sites.
- b. **Impact** – External evaluators Wavehill evaluated the Health & Wellbeing programme for residents and recommendations have been made as to how this can be improved. The programme will be relaunched in a new format, taking account of residents' feedback, once Covid restrictions have been eased.
- c. **Future Plans** – The Charity is one of three charities whose housing provision is managed by the Trustee. The future strategy for the Mercer managed almshouse and housing is under review, including discussion of increasing the provision. The review is expected to be completed in 2022.
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Grant making policy – Achievements, Impact and Future Plans

The Charity is one of several charities that contributes to the people-based Philanthropy Framework co-ordinated by the Trustee. This framework comprises three major grant-making programmes which reflect the intentions of the participating charities' benefactors: focusing on individuals, families, and communities facing disadvantage. Disadvantage is tackled through supporting organisations that help people to reach their potential in several ways including: by inspiring a love of learning; strengthening self-belief and wellbeing; and creating opportunities to live a balanced, rewarding and varied life. The Charity contributes to this framework by supporting the Older People & Housing programme and, since 2020, the Charity also contributes to the Church & Communities programme until 2023. Both programmes relieve need as follows:

- The **Older People & Housing** (OP&H) programme has two priority areas: reducing chronic loneliness and improving housing options for older people. Disadvantage is tackled by enabling organisations to focus on building connections with those who are at highest risk of loneliness, and working with organisations to find innovative new solutions to poor housing for older people.
- The **Church & Communities** (C&C) programme supports churches, as well as other faith and secular community-based organisations, under two priority areas: Stronger Communities and Better Outcomes for Families. Its geographic focus is London and also Norfolk, Lincolnshire and the North East. The Church & Communities geographic focus aligns with the Earl of Northampton's links to Norfolk.
- Supporting charities to meet the challenges of Covid-19 has been a critical objective for both programmes during the year.

A review of performance and achievements

- a. **Covid-19 Response** – in March 2020 the Trustee coordinated a Rapid Response Fund (RRF) to support existing grant holders across all three people-based programmes with additional funds of up to £10,000 for immediate/emergency needs in response to the Covid-19 crisis. The grants were focussed on crisis essentials and organisational capacity to deliver this. The focus of the grants switched to organisational capacity and staff volunteer support as the impacts of the pandemic have taken hold. The Charity made 3 grants through the RRF totalling £11,633.
- b. **Older People & Housing Grant Making** – The grant-making programme has two priorities: Combatting Loneliness in Older People and their Carers, and Housing Solutions for Older People within London and Norfolk. Due to the impact of Covid-19, the former took priority. Throughout the year, grants were made to support organisations to meet the challenges of Covid-19. We worked with grant holders to understand their needs and to provide flexibility where necessary. Grantees were able to request to derestrict their funding, so that they could respond to urgent need and act appropriately, without worrying about previous commitments. In 2020/21 the Charity made 18 grants totalling £347,392. A particular highlight was to be able, following a successful initial partnership in 2019/20 with the **Norfolk Community Foundation (NCF)**, to award a further £150,000 in 2020/21 to enable the continuation of an open grants process administered by NCF, for small local organisations to apply for funding to deliver interventions to reduce chronic loneliness in Norfolk. Covid-19 had a profound effect on the delivery of some projects during 2020/21: Some were not able to start their projects but have used the funding to maintain delivery in other areas. The funding has made a difference to grassroots organisations working with people facing many challenges as it has allowed them to bring people together to help reduce loneliness.
- c. **Church & Communities Grant Making** – in 2020/21 the Charity made a total of 14 grants totalling £299,972 under its Stronger Communities and Better Outcomes for Families priorities. The following highlights were:
 - i) **Disadvantaged Communities**: a grant of £33,275 was made to **Key Fund Investments Limited** to support charities, social enterprises and communities helping people in need in

the North East and Lincolnshire to adapt, survive and thrive in the face of Covid-19.

ii) **Homelessness:** a multi-year grant of £37,500 was awarded to the **Living Room Great Yarmouth** from the Charity. The organisation uses church-owned buildings to provide a safe, overnight space for rough sleepers over the winter months. It also provides outreach and advocacy support all year round to people who are homeless, helping many who have a variety of problems and enabling them to move into accommodation. The grant, for core funding, provides The Living Room with a sustainable duration of support for a project with a good track-record and which continues to be much needed. The grant also enabled the organisation to leverage further grants from other funders.

iii) **Refugees:** three multi-year grants were awarded to support refugees totalling £132,472. **Investing in People and Culture**, which works in the North East, was awarded a grant towards the costs of extending a project to support refugees into work. Where a beneficiary could reasonably afford to re-pay, once in work, they would be offered a loan for their professional qualification, thereby helping the funding go further.

Monitoring and Impact

At the time of application, grantees submit a plan for how they will evaluate the success of their work. The Charity monitors each of the grants awarded through annual progress reports (which include an update on how they are progressing towards achieving the outcomes set at the time of application) as well as other material supplied by grantees such as videos and external impact reports. These formal reports are supplemented by informal conversations with grantees throughout the year. Based on the information received in 2020/21, 25% of the organisations supported fully met the outcomes they set at the time of application and 63% partially met their outcomes. 12% of organisations asked for their grants to be derestricted, enabling the diversion of funds to the area of the business most in need. Overall, organisations have adapted well despite the pandemic disrupting delivery models, but as many have had to find new ways to meet the needs of beneficiaries, the ability to meet their outcomes has understandably been impacted. *Older People & Housing Befriending Evaluation* – independent consultants Kate Jopling and Dan Jones were commissioned to undertake an evaluation of the befriending grants awarded by the Older People & Housing programme, particularly since this method of delivery has increased as a result of the pandemic. A key finding was that although befriending schemes were unlikely in

themselves to reduce loneliness, they create a relationship that has value in itself for both service users and volunteers. Befriending can also support independence in older people, and befriending volunteers are often able to provide early warning such as spotting emerging needs and flagging these to schemes for early action.

Church & Communities Homelessness Evaluation— an in-depth evaluation was undertaken of the grants awarded to support people who are homeless or at risk of homelessness. The report concluded that the homelessness funding is *“already delivering significant social benefit. All projects are delivering work which is: good quality; impactful and of value; relevant and broadly consistent with the research and policy evidence base; and which reflects both Mercers’ general principles and values, and the priorities for this specific programme.”* The report produced a series of recommendations, including continuing to be flexible in what the programmes fund and to fund projects where a ‘gap’ in the portfolio had been identified e.g., projects aimed at women who are homeless.

Future plans

The current Philanthropy Framework, to which the Charity contributes, runs until March 2023. The Charity will continue to provide funds for both programmes until then. The Older People & Housing programme will continue to support its two priority areas as chronic loneliness and poor housing conditions remain relevant for older people. There will also be a continued focus on supporting organisations through unrestricted funding to ensure a flexibility of response and supporting those communities of older people who are at the highest risk of chronic loneliness, and who are under-represented in grant-making: for example, ethnic minority and LGBTQ+ communities. The Church & Communities programme will continue to support its two priority areas over the coming year, but a proactive approach, taking into consideration diversity, equity and inclusion, will be adopted to identify communities and areas of disadvantage most impacted by Covid-19. Opportunities for social enterprise and investment initiatives will also be explored.

Financial Review

The Charity generates income primarily from its own sources through:

	2021 £	2020 £
Property investments	49,000	58,000
Interest	-	1,000
Stock market investments	555,000	737,000

Income from maintenance charges receivable from almshouse residents was £526,000 (2020: £509,000).

Investments

Investment property

There were gains of £210,000 on property investments during the year (2020: no gains or losses).

Listed investments

Total gains of £5,071,000 on stock market investments (2020: losses of £2,480,000) were experienced in the year as a result of improvements in the market following the initial impact of the COVID-19 pandemic on global stock markets. The Trustee will continue to monitor the performance of these funds.

Investment Fund	Fund Return	Primary Comparator	Secondary Comparator
General Investment Fund	35.2%	4.4% (CPI+ 4.0%)	23.3% (Composite)
Cyclical Maintenance Fund	28.9%	3.9% (CPI+ 3.5%)	19.3% (Composite)
Endowment Fund	31.9%	4.4% (CPI + 4.0%)	23.3% (Composite)

Results for the year

Total income for the year was £1,141,000 (2020: £1,305,000); total expenditure for the year was £1,695,000 (2020: £1,244,000) and net gains on investments were £5,281,000 (2020: losses of £2,480,000) resulting in net income for the year of £4,727,000 (2020: net expenditure of £2,419,000).

Financial position

Net assets at the end of the year were £32,948,000 (2020: £28,221,000). These were represented by endowment funds of £19,301,000 (2020: £15,288,000), restricted funds of £1,421,000 (2020: £1,200,000) and unrestricted funds of £12,226,000 (2020: £11,733,000).

Fundraising

The Charity does not conduct any fundraising activity.

Investment policy

In accordance with the Scheme, the Trustee has the power to invest in such stocks, shares, and property as appropriate to meet the objectives of the Charity. The investment objective is for a rising level of income together with preserving the long term real value of the investments. The investment performance of stock market investments is compared against relevant benchmarks. The Charity has a policy of responsible investment, positively screening to invest in companies that can demonstrate socially responsible values and sustainable growth, and negatively screening companies or sectors that are not in line with the charitable objects of the Charity to relieve those in poverty. As such, the following areas are excluded from our investments:

- high interest lending
- tobacco
- gambling
- pornography

The Trustee is satisfied that its policy and objective is being met.

Risk management

The Trustee acknowledges its responsibility for the management of risks faced by the Charity. A review is undertaken regularly by the Trustee to identify, assess and mitigate those risks.

The Trustee, in considering the governance, management, operational, financial and environmental risks, is satisfied that there is no material exposure, and that there are procedures in place to mitigate such risks.

The Trustee has agreed clear lines of delegation and authority, and the Trustee and its staff are involved in the recognition of risk in all their activities.

The main risks faced by the Charity are:

Risk	Mitigation
Financial Risk – loss of asset value and investment income	Regular review of valuation by Executive and Committees; reforecasting of budgets.
Operational Risk – failure in level of service provision at almshouses	EROSH certification. Complaints procedures. Benchmarking against other providers (EROSH and Acuity) Local Authority inspection of 50% of schemes.

Reserves policy

Reserves are carried forward with the intention of:

- retaining up to six months almshouse running costs (£194,000),
- transfer to the Cyclical maintenance fund for the following year (£203,000),
- grant making reserve for committed grants (£737,000) PLUS one year of grants budget not otherwise included in committed grants (£207,000)

As per the policy, the reserve required amounts to £1,341,000. The free reserves of the Charity comprise the unrestricted funds excluding charitable properties and amounted to £4,823,000 in 2021 (2020: £4,133,000). The actual free reserves of £4,823,000 exceed the target by £3,482,000.

The Trustee is planning the utilisation of the excess reserves in coming years for its grant making programme, and pending the outcome of the Trustee's review of its future almshouse strategy. The Trustee reviews the policy annually.

Structure, governance and management

The Wardens and Commonalty of the Mystery of Mercers of the City of London (more commonly known as The Mercers' Company) which is a body corporate formed by Royal Charter in 1394 is the Trustee of the Charity and is the controlling party. The Mercers' Company's governing body (the Court of Assistants) acts for the Company as Trustee. From 13 July 2019 to 9 July 2021 the Master was MCL Aspinall. Since 9 July 2021 CJ Vermont has been Master. The Clerk to the Mercers' Company is RM Abernethy.

The Mercers' Company acts as trustee for several charities and has established a governance committee for each Charity. The members of the Charity's Governance Committee are:

Mrs X V Dennen (Chairman)

Wg Cdr M G Dudgeon OBE DL

Mr A Sedgwick

The Charity Governance Committee reviewed the Charity's grant making strategy, investment policy and reserves policy in 2021. The Charity's Governance Committee also delegated certain matters to a number of the Trustee's specialist committees, namely Older People & Housing Committee, Philanthropy Committee, Audit Committee, Investment Sub-Committee and Property Committee.

The Charity delegates the making of grants to the Trustee's Older People & Housing Committee, Church & Communities Committee and Philanthropy Committee.

The Charity is supported by the staff of the Mercers' Company, who are appropriately trained and qualified. Administrative services are provided under a service agreement. The following members of the Mercers' Company's senior management are involved in the provision of services:

Mr RM Abernethy (Clerk to the Mercers' Company)

Ms SMA Hedley-Dent (Deputy Clerk to The Mercers' Company)

Mr JRA Christie (Finance Director)

The Standards & Appointments Committee meets on a regular basis to keep the skills and composition of the committees and succession planning under review and, where needed, to recruit new members for their experience, empathy and knowledge in charity matters.

The Trustee intends to apply the principles of the Charity Governance Code so far as is possible given that it is sole corporate trustee. The Trustee has undertaken a self-assessment against the Charity Governance Code in 2021 and has identified areas in which it can further improve its practice to reflect the Governance Code principles. In addition, the Trustee has completed the checklist for a charity working with a non charity and has concluded that the relationship between the Charity and the Trustee is in the Charity's best interests.

Our volunteers

The Charity relies on members of The Mercers' Company volunteering their time to sit on committees, review grant requests, visit applicants and grantees, and attend events involving beneficiaries. In keeping with recommended practice, an estimate of the numbers of hours that committee members give to the Charity free of charge during the year has been undertaken resulting in approximately 125 hours of voluntary time.

Related parties

The Charity works closely with the Trustee and the other charities with which the Trustee is involved. Details of related parties and connected charities are given in note 13 of the financial statements.

Trustee's responsibilities in relation to the financial statements

The Trustee is responsible for preparing the Trustee's 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 Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the income and expenditure of the Charity for that year.

In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in 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);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the applicable Charity (Accounts and Reports) Regulations. The Trustee is 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.

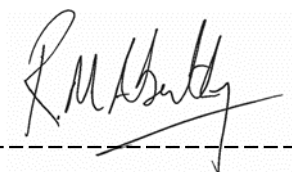
The Trustee is responsible for the maintenance and integrity of the Charity and financial information included on the Trustee's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



CJ Vermont

Master

18 November 2021



RM Abernethy

Clerk to the Mercers' Company

Independent Auditor's Report

TO THE TRUSTEE OF THE EARL OF NORTHAMPTON'S CHARITY

We have audited the financial statements of The Earl of Northampton's Charity (the 'Charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, and the notes to the financial statements which include the principal 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 Charity's affairs as at 31 March 2021 and of 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 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 Trustee's 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 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 Trustee with respect to going concern are described in the relevant sections of this report.

Other information

The Trustee is responsible for the other information. The other information comprises the information included in the Trustee's Annual Report and Financial Statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- ◆ the information given in the Trustee's Annual 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 and returns; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of Trustee

As explained more fully in the Trustee's responsibilities statement, the Trustee is 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 Trustee determines 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 Trustee is responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the Charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the Charity through discussions with those charged with governance and other management, and from our knowledge and experience of the sector;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Charity, including the Charities Act 2011 and the financial reporting framework referred to above; and
- ◆ we understood how the Charity is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of the minutes of meetings of those charged with governance.

We assessed the susceptibility of the Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur. Audit procedures performed by the engagement team included:

- ♦ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ♦ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ♦ performed analytical procedures to identify any unusual or unexpected relationships;
- ♦ tested journal entries to identify unusual transactions.
- ♦ performed substantive testing of expenditure including testing the authorisation thereof; and
- ♦ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ♦ reading the minutes of meetings of those charged with governance; and
- ♦ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustee and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the Charity's Trustee, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's Trustee 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 Trustee as a body, for our audit work, for this report, or for the opinions we have formed.



22 November 2021

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

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

Statement of Financial Activities for the year ended 31 March 2021

	Note	31 March 2021				31 March 2020
		Unrestricted	Restricted	Endowment	Total	Total
		Funds	Funds	Funds	Funds	Funds
		£'000	£'000	£'000	£'000	£'000
Income						
Donations		11	-	-	11	-
Investments	2	559	45	-	604	796
Charitable activities	3	526	-	-	526	509
Total income		1,096	45	-	1,141	1,305
Expenditure						
<i>Raising funds:</i>						
Investment management costs	4	(11)	(4)	(49)	(64)	(66)
<i>Charitable activities:</i>						
Housing for the elderly	3, 4	(595)	(331)	(4)	(930)	(804)
Relief of poverty	4, 14	(701)	-	-	(701)	(374)
Total expenditure		(1,307)	(335)	(53)	(1,695)	(1,244)
Gains/(losses) on investments	6, 7	907	308	4,066	5,281	(2,480)
Net income / (expenditure)		696	18	4,013	4,727	(2,419)
Transfers between funds	10	(203)	203	-	-	-
Net movement in funds		493	221	4,013	4,727	(2,419)
Fund balances brought forward at 1 April		11,733	1,200	15,288	28,221	30,640
Fund balances carried forward at 31 March		12,226	1,421	19,301	32,948	28,221

All of the Charity's activities are derived from continuing operations. There are no recognised gains or losses other than those disclosed above.

Statement of Financial Activities for the year ended 31 March 2020

		31 March 2020			
		Unrestricted	Restricted	Endowment	Total
		Funds	Funds	Funds	Funds
Note		£'000	£'000	£'000	£'000
Income					
Investments	2	752	44	-	796
Charitable activities	3	509	-	-	509
Total income		1,261	44	-	1,305
Expenditure					
<i>Raising funds:</i>					
Investment management costs	4	(15)	(4)	(47)	(66)
<i>Charitable activities:</i>					
Housing for the elderly	3, 4	(629)	(171)	(4)	(804)
Relief of poverty	4, 14	(374)	-	-	(374)
Total expenditure		(1,018)	(175)	(51)	(1,244)
Losses on investments		(348)	(142)	(1,990)	(2,480)
Net income/(expenditure)		(105)	(273)	(2,041)	(2,419)
Transfers between funds	10	(141)	141	-	-
Net movement in funds		(246)	(132)	(2,041)	(2,419)
Fund balances brought forward at 1 April		11,979	1,332	17,329	30,640
Fund balances carried forward at 31 March		11,733	1,200	15,288	28,221

All of the Charity's activities are derived from continuing operations. There are no recognised gains or losses other than those disclosed above.

Balance Sheet as at 31 March 2021

		31 March 2021		31 March 2020	
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	5	7,512		7,712	
Investment properties	6	1,750		1,540	
Quoted investments	7	22,777		17,651	
Total fixed assets			32,039		26,903
Current assets					
Debtors	8	42		47	
Cash at bank and in hand		968		1,388	
Total current assets		1,010		1,435	
Creditors: amounts falling due within one year	9	(101)		(117)	
Net current assets			909		1,318
Total net assets			32,948		28,221

The funds of the Charity:

Endowment funds	10	19,301	15,288
Restricted income funds	10	1,421	1,200
Unrestricted income funds	10	12,226	11,733
Total Charity funds	10	32,948	28,221

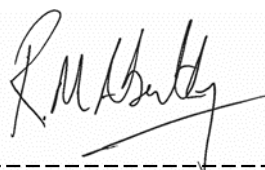
The attached notes on pages 27 to 42 form an integral part of these financial statements. The financial statements on pages 23 to 42 were approved by the Trustee on 18 November 2021 and signed on its behalf by:



CJ Vermont

Master

18 November 2021



RM Abernethy

Clerk to the Mercers' Company

Statement of Cash Flows for the year ended 31 March 2021

		2021		2020
	Note	£'000	£'000	£'000
Cash flows from operating activities:				
Net cash used in operating activities	12		(925)	(484)
Cash flows from investing activities:				
Interest received		-		1
Dividends received		560		730
Purchase of investments		(5,783)		(6,123)
(Decrease)/Increase in cash held by investment managers		(72)		1,472
Proceeds from the sale of investments		5,800		4,602
Net cash provided by investing activities			505	682
Change in cash and cash equivalents in the financial year			(420)	198
Cash and cash equivalents at the beginning of the financial year			1,388	1,190
Cash and cash equivalents at the end of the financial year	12		968	1,388

Notes to the financial statements

1 Accounting Policies

ACCOUNTING BASIS

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice for charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) ('SORP (FRS 102)'), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The 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 the SORP (FRS 102) rather than the previous withdrawn version which it replaced.

The Charity constitutes a public benefit entity as defined by FRS 102.

GOING CONCERN

The Trustee considers that there are no material uncertainties about the Charity's ability to continue as a going concern. The Trustee has considered the impact of the current Coronavirus pandemic on the Charity's operations, with a particular focus on its effect on its beneficiaries and suppliers and on the Charity's income and expenditure. The Trustee does not consider this to be cause for material uncertainty in respect of the Charity's ability to continue as a going concern. The Charity has reforecast its grant making budget and adapted to its beneficiaries' needs. The Trustee considers that it has sufficient financial resources for the foreseeable future, despite the current crisis. Therefore, the financial statements have been prepared on a going concern basis.

CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances prevailing. The main estimates and judgements relate to the investment property valuations and the estimated useful lives of tangible fixed assets.

INCOME

All income, comprising maintenance charges generated from Almshouse properties, rents and service charges generated from investment properties, interest on bank accounts and dividends from investment funds is reported on an accruals basis when the Charity has entitlement, receipt is probable and the amount can be measured with sufficient reliability. Income relating to a subsequent financial period is carried forward as a creditor in the balance sheet and shown as deferred income.

EXPENDITURE

All expenditure is included on an accruals basis and is recognised as soon as there is a legal or constructive obligation committing the Charity to it, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Irrecoverable VAT is included with the underlying expense and charged to the Statement of Financial Activities (SOFA) as incurred. Support costs relate to staff time and facility costs incurred by the Mercers' Company on behalf of the Charity and are allocated to the Charity on an accruals basis. Support costs have been allocated between activities based on estimated breakdowns of staff time. This includes time spent on the governance arrangements, relating to the general running of the Charity.

GRANTS

Grants payable are charged in the period when the offer is conveyed to the recipient except in cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the period end are noted as a commitment, but not accrued as expenditure.

INVESTMENT GAINS AND LOSSES

Unrealised gains and losses for the period reflect the movement in market values. Realised gains and losses represent the difference between proceeds on disposal and the market value brought forward (or cost if acquired in the year). Unrealised and realised investment gains or losses are shown net on the SOFA.

INVESTMENTS

Investments are stated at their fair value at the balance sheet date. Investment properties are re-valued externally every five years and internally by the Trustee in intervening years. The Trustee is of the opinion that this valuation is appropriate for the purpose of these financial statements. Cash held by investment managers is recognised as part of investments.

TANGIBLE FIXED ASSETS

All assets costing more than £10,000 are capitalized at cost and depreciated over their useful economic lives. Subsequent expenditure on a capitalised asset will also be capitalised where it is regarded that there has been an enhancement to the asset or a depreciated asset has been replaced.

DEPRECIATION

The Trustee considers the useful life of the almshouse properties to be not less than 50 years and 4 years for fixtures and fittings. Accordingly, a depreciation rate of 2% and 25% has been applied to the historical cost of the properties after adjusting for the cost of the land and other assets respectively. Land is not depreciated. Depreciation is not provided on investment properties that are held as freeholds or on leases having more than 20 years unexpired.

TAXATION

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes. Accordingly, no provision is made for current or deferred taxation.

FUNDS

The Charity has three types of fund:

- Endowment – where the capital is held in perpetuity to generate unrestricted distributable income;
- Restricted – where the purposes for which the funds, including income generated, may be used have been restricted by the scheme of management;
- Unrestricted – where the fund is not restricted as to use other than in furthering the objects of the charity.

FINANCIAL INSTRUMENTS

The Charity only has financial assets and 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, except for investments which are measured at fair value.

2 Income from Investments

Investment income was generated as follows:

	2021	2020
	£'000	£'000
Rents from investment properties	49	58
Dividend income from endowment fund	440	624
Dividend income from cyclical maintenance fund	45	44
Dividend income from general investment fund	70	69
Interest on deposit account	–	1
	604	796

3 Almshouse Income and Expenditure

Maintenance charges received from residents at the almshouses amounted to £526,000 in 2021 (2020: £509,000).

Almshouse income and expenditure is analysed as follows:

	2021		2020	
	Trinity Hospital Greenwich	Trinity Hospital Shotesham	Trinity Hospital Greenwich	Trinity Hospital Shotesham
	£'000	£'000	£'000	£'000
Income from maintenance charges	466	60	453	56
Property operating costs	(260)	(38)	(307)	(36)
Major repairs and projects	(324)	(7)	(157)	(14)
Administration and entertainment	(62)	(11)	(58)	(9)
Depreciation	(185)	(15)	(185)	(15)
Total almshouse expenditure	(831)	(71)	(707)	(74)
Net expenditure	(365)	(11)	(254)	(18)

4 Expenditure

a) Analysis of total expenditure:

		Governance & Other		Total 2021	Total 2020
	Further notes	Grant- making £'000	Support costs £'000	direct costs £'000	£'000
<i>Raising funds</i>					
Investment management costs		-	1	63	64
<i>Charitable activities</i>					
Housing for the elderly	3	-	28	902	930
Relief in need	14	658	24	19	701
		658	53	984	1,695
					1,244

Governance					
& Other					
	Grant- Further notes	making £'000	Support costs £'000	direct costs £'000	Total 2020 £'000
<i>Raising funds</i>					
Investment management costs		-	1	65	66
<i>Charitable activities</i>					
Housing for the elderly	3	-	23	781	804
Relief in need	14	339	35	-	374
		339	59	846	1,244

b) Analysis of support costs

	Basis of apportionment	Raising funds £'000	Housing for the elderly £'000	Relief of poverty £'000	Total 2021 £'000	Total 2020 £'000
Staff costs	Staff time	1	10	19	30	38
Office administration	Staff time	-	-	5	5	8
Audit fees	Staff time	-	16	-	16	11
Insurance	Staff time	-	2	-	2	2
		1	28	24	53	59

	Basis of apportionment	Raising funds £'000	Housing for the elderly £'000	Relief of poverty £'000	Total 2020 £'000
Staff costs	Staff time	1	10	27	38
Office administration	Staff time	-	-	8	8
Audit fees	Staff time	-	11	-	11
Insurance	Staff time	-	2	-	2
		1	23	35	59

The Charity has no employees (2020: nil). The Mercers' Company, by way of a services agreement, provides staff to the Charity, the cost of which is reflected above. The Trustee has not received any emoluments or reimbursements during the year for services as a Trustee (2020: nil). No Trustee indemnity insurance costs have been paid by the Charity. Please see note 3 for detailed analysis of almshouse running costs. £13,380 (including irrecoverable VAT) plus £2,150 in respect of the prior year (2020: £10,750) was charged to the SOFA for audit fees.

5 Tangible Assets

	Trinity				
	Trinity Hospital Greenwich – original almshouse £'000	Trinity Hospital Greenwich – new almshouse £'000	Trinity Hospital Greenwich – new almshouse fixtures £'000	Trinity Hospital Shotesham – original almshouse £'000	Total £'000
<u>Cost</u>					
Balance brought forward at 1 April 2020 and carried forward at 31 March 2021	2,973	6,355	57	812	10,197
<u>Accumulated depreciation</u>					
Balance brought forward at 1 April 2020	(647)	(1,589)	(57)	(192)	(2,485)
Charge for the year	(58)	(127)	-	(15)	(200)
Balance carried forward at 31 March 2021	(705)	(1,716)	(57)	(207)	(2,685)
Net book value at 31 March 2021	2,268	4,639	-	605	7,512
Net book value at 31 March 2020	2,326	4,766	-	620	7,712

The net book values shown do not represent current open market valuations.

6 Investment Properties

The Charity's investment properties are as follows:

	1 April 2020 £'000	Revaluation Gains £'000	31 March 2021 £'000
Freehold property	1,540	210	1,750
Historical cost	30		30

A full external valuation was done on 31 March 2021 by CBRE Limited, who are a qualified independent firm of surveyors.

7 Quoted Investments

The changes during the year analysed by fund are as follows:

	1 April 2020 £'000	Purchases £'000	Sales £'000	Movement in cash £'000	Revaluation Gains £'000	31 March 2021 £'000
General Fund	2,782	905	(770)	(56)	889	3,750
Restricted Cyclical Maintenance Fund	1,225	316	(257)	7	283	1,574
Endowed Fund	13,644	4,562	(4,071)	121	3,197	17,453
	17,651	5,783	(5,098)	72	4,369	22,777
Historical cost	17,974					18,752

The investment allocation at the year end was as follows:

	2021 £'000	%
UK Equities	11,897	52.2
Fixed Interest	1,897	8.3
Overseas Equities	7,956	34.9
Alternatives	305	1.4
Cash	722	3.2
Total	22,777	100.0

No individual holding in each of the investment classes above was more than 5% of total investments. Net investment gains during the year totalled £5,071,000 (2020: £2,480,000 losses).

8 Debtors

Debtors are made up as follows:

	2021 £'000	2020 £'000
Dividends receivable	12	17
Prepayments and accrued income	30	30
	42	47

9 Creditors: Amounts Falling Due Within One Year

Creditors are amounts falling due within one year and are made up as follows:

	2021 £'000	2020 £'000
Rent received in advance	35	48
The Mercers' Company	16	2
Accruals	50	67
	101	117

10 Analysis of Funds

The net assets by funds are as follows:

	Unrestricted	Restricted	Endowment	2021
	funds	funds	funds	Total funds
	£'000	£'000	£'000	£'000
Tangible fixed assets	7,403	–	109	7,512
Quoted investments	3,750	1,574	17,453	22,777
Property investments	–	–	1,750	1,750
Net current assets (liabilities)	1,073	(153)	(11)	909
Total	12,226	1,421	19,301	32,948

	Unrestricted	Restricted	Endowment	2020
	funds	funds	funds	Total funds
	£'000	£'000	£'000	£'000
Tangible fixed assets	7,600	–	112	7,712
Quoted investments	2,782	1,225	13,644	17,651
Property investments	–	–	1,540	1,540
Net current assets (liabilities)	1,351	(25)	(8)	1,318
Total	11,733	1,200	15,288	28,221

Restricted Funds

The Restricted Funds comprise the Cyclical Maintenance Fund which includes the Extraordinary Repair Fund required by the Charity Commission's Scheme of Management. £203,000 (2020: £141,000) was transferred into the fund from Unrestricted Funds during the year to provide for future repairs and maintenance of the almshouse properties. £331,000 (2020: £96,000) of repairs were undertaken during the year.

Endowment Funds

The endowment funds were established at the time the Charity was created. The investments are held to generate income and are applied in furtherance of the Charity's objects.

11 Grant Commitments

The Charity had the following commitments in respect of charitable grants, subject to various conditions, at the end of the year (2021: £737,209; 2020: £560,577):

Programme Area & Beneficiary Charity	2022 £	2023 £	2024 £
Older People & Housing Programme			
Advice Support Knowledge Information	20,000	-	-
Age UK – Norwich	33,131	-	-
Creative Arts East	40,000	-	-
Independence at Home	2,800	-	-
Jubilee Trust Almshouses *	1,000	1,000	1,000
Katherine Low Settlement	25,000	25,000	-
Linking Lives	30,000	-	-
Norfolk Community Foundation	45,000	75,000	-
North Norfolk Community Transport	33,012	-	-
R L Glasspool Charity Trust	12,500	-	-
St Michael's Church, Framlingham	250	250	250
Sydenham Garden	22,008	22,008	-
Trinity Hospital, Castle Rising	15,000	15,000	-
Trinity Hospital, Castle Rising *	3,000	3,000	3,000
Trinity Hospital, Clun	10,000	10,000	-
Trinity Hospital, Clun *	3,000	3,000	3,000
Vision Norfolk	40,000	40,000	-
YOPEY	15,000	-	-
Church & Communities Programme			
CREST (Compact for Race Equality in South Tyneside)	25,000	25,000	-
Footprints in the Community	25,000	25,000	-
Open Door North East	30,000	30,000	-
The Living Room Great Yarmouth	12,500	12,500	-
Total	443,201	286,758	7,250

* These grants are required by the Charity's Scheme of Management and continue indefinitely. The Trustee considers that disclosing these commitments for three years in advance is adequate to allow for any change in circumstances both to the Charity or the beneficiaries.

12 Reconciliation of Net Income/(Expenditure) To Net Cash Flow From Operating Activities

	2021 £'000	2020 £'000
Net income/(expenditure) for the reporting year (as per statement of activities)	4,727	(2,419)
Adjustments for:		
Depreciation	200	200
(Gains)/losses on investments	(5,281)	2,480
Interest receivable	-	(1)
Dividends receivable	(555)	(737)
(Increase)/decrease in debtors	-	7
Decrease in creditors	(16)	(14)
Net cash used in operating activities	(925)	(484)

ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £'000	2020 £'000
Cash at bank in hand	968	1,388
Total cash and cash equivalents	968	1,388

13 Related Parties and Connected Charities

The following related parties and charities have common management and are therefore regarded as connected:

Becket House Limited (dormant)
Charity of Sir Richard Whittington
Charter 600 Charity
Lady Campden's Money Legacy for Loans
Longacre Estates Limited (dormant)
Longmartin Properties Limited
Maiden Trading Limited (dormant)
Mercers' Company Educational Trust Fund (dormant)
Mercers' Company Housing Association
Mercers' School Memorial Trust (incorporating The Merrett Bequest)
MSM Trust (dormant)
Old Mercers' Benevolent Fund
St Paul's Schools Foundation
The Mercers' Charitable Foundation
The Mercers' Company

The principal address of the above entities is:

6 Frederick's Place
London EC2R 8AB

There were transactions with the Mercers' Company including allocated overhead services of £128,000 (2020: £103,000). £16,000 was due to the Company at the balance sheet date (2020: £2,000). There were no further transactions with any of the above entities (2020: none).

14 Grants

Listed below are all 35 charitable grants made during the year for the relief of poverty:

Programme Area & Beneficiary	2021 £	2021 £
Older People & Housing Programme		
Advice Support Knowledge Information	20,000	
Age Concern – Norwich	32,625	
Clarion Futures	13,002	
Creative Arts East	35,000	
Independence at Home	3,600	
Jubilee Trust Almshouses	1,000	
Katherine Low Settlement	25,000	
Linking Lives UK	30,000	
Norfolk Community Foundation	30,000	
North Norfolk Community Transport	28,776	
R L Glasspool Charity Trust	12,500	
St Michael's Church Framlingham	250	
Sydenham Garden	22,008	
Trinity Hospital Castle Rising	18,000	
Trinity Hospital Clun	13,000	
United Kingdom Men's Sheds Association	7,631	
Vision Norfolk	40,000	
YOPEY	<u>15,000</u>	
		347,392
COVID Rapid Response Fund		
Family Action	5,000	
House of St Barnabas	1,142	
St Cuthbert's Church North Wembley	<u>5,491</u>	
		11,633

Programme Area & Beneficiary	2021 £	2021 £
Church & Communities Programme		
CREST (Compact for Race Equality in South Tyneside)	25,000	
Family Gateway	9,000	
Footprints in the Community	25,000	
Foresight (North East Lincolnshire) Limited	4,960	
Future Regeneration of Grangetown	1,621	
Investing in People and Culture	30,000	
Key Fund Investments Limited	33,275	
Mission Initiative Newcastle East	30,000	
Music In Detention	12,472	
Norfolk Community Foundation	50,000	
Open Door North East	30,000	
Tees Valley Community Asset Preservation Trust	35,000	
The Living Room Great Yarmouth	12,500	
YMCA North Tyneside	<u>1,144</u>	
		299,972
Total (2020: £338,617)		658,997

Legal & Administrative Information

LEGAL STATUS

The Charity has registered number 210291 and is regulated by a Scheme of the Charity Commissioners dated November 2003, having replaced the previous schemes of December 1964, a variation dated March 1967 and a consolidated Scheme dated August 1982.

PRINCIPAL ADDRESS

6 Frederick's Place

London EC2R 8AB

BANKERS

Barclays Bank PLC,

1 Churchill Place, London E14 5HP

INVESTMENT MANAGERS

Rathbone Brothers Plc

8 Finsbury Circus

London, EC2M 7AZ

PROPERTY MANAGEMENT

Knight Frank

Pennant House, Napier Court, Reading, RG1 8BW

INDEPENDENT AUDITOR

Buzzacott LLP

130 Wood Street, London, EC2V 6DL