

The Earl of Northampton's Charity



Trustee's Annual Report & Financial Statements 2022

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 2022

The Mercers' Company as the trustee of the Charity (the Trustee) presents its annual report and audited financial statements for the year ended 31 March 2022. The financial statements have been prepared in accordance with the accounting policies 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 (SORP) applicable to charities preparing their accounts 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: 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 Charity's grant making policy.

The future strategy for the Trustee managed almshouses is under review, including discussion of increasing the provision. The review is expected to be completed in 2022.

Grantmaking 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 grantmaking 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 in London and Norfolk. 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 geographic focus of both programmes reflects the Earl of Northampton's links to Norfolk.

A review of performance and achievements

Building on the challenges presented by the pandemic in 2020/21, the Trustee is pleased to be able to report the following work during the year:

Older People & Housing Grant Making – The Charity supports the programme's two priority areas, but during 2021/22 the focus for new grants has been on reducing loneliness in older people as the effects of the pandemic are still being felt by older people and the organisations that support them, with many reporting that some older people are still reluctant to leave their homes. Adapting delivery models to reflect the new circumstances is still the biggest challenge reported by grant holders and many are faced with having to juggle delivering activities both online / on the telephone and in-person, which means models are more dispersed and often more expensive.

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In 2021/22 the Charity made 15 grants totalling £318,569. A particular highlight during the year was a new grant of £85,000 (over three years) to Business in the Community to support its place-based work to tackle loneliness in Norwich. The grant will act as seed funding to bring local public and private stakeholders together to create sustainable solutions to the issue of loneliness in Norwich, with a particular focus in the area of Mancroft. Mancroft has been identified as an area for intervention due to its income deprivation, poor education history, poor transport links, and poor community services for older people. As the intervention work is co-created with the community, it is not possible to say at this stage which activities will be delivered, where and by whom. The investment is to understand what people want, engage partners in making this change and deliver the right services for the area on a sustainable scale. The funding will support the Local Development Lead's activity, delivering consultation, scoping and project design, implementation, and stakeholder support.

Church & Communities Grant Making – in 2021/22 the Charity made six grants totalling £237,500 under its Stronger Communities priority.

A grant of £100,000 was awarded to Winner the Preston Road Women's Centre, a charity in Kingston Upon Hull, towards a grant programme to create more specialist housing for women and children; primarily those fleeing domestic abuse but also for those vulnerably housed. The intention is to strengthen women's sector charities and to offer an important revenue source to stabilise their income and support their resilience.

A grant of £30,000 was made (as part of a multi-year grant) to provide core costs to Open Door North East, a charity supporting refugees in the Tees Valley. By providing core costs, the Charity has enabled the organisation to build their capacity and grow their staff team.

Monitoring and Impact

At the time of application, grantees submit a plan for how they will evaluate the success of their work. The grants awarded are monitored 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 2021/22, of the organisations supported, 9% exceeded the outcomes they set at the time of application, 55% fully met their outcomes and 36% partially met their outcomes.

The organisations that partially met their outcomes were those for which Covid-19 continues to have a disproportionately large impact. Other reasons included: staff burnout, an increase in the level and complexity of beneficiaries' needs, increased costs in delivery of services and activities (cost of living crisis) and a more competitive funding environment, following additional Covid-19 emergency funding available in 2020/21.

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Overall, organisations have continued to deliver their services through adapted methods very well despite the pandemic disrupting their normal delivery models. Many organisations have continued to deliver their activities through a range of methods as the covid-19 restrictions were eased and then lifted. However, there is a consistent pattern in that demand for services has increased, and many report that beneficiaries' needs are becoming increasingly complex.

In December 2021 an independent consultant was commissioned to undertake an evaluation of the grants awarded by the **Older People & Housing programme that tackle loneliness in older people**. The aim of the evaluation is two-fold, firstly to highlight key themes and lessons emerging from the analysis of grantee monitoring reports and secondly to advise on the most effective way of grantee reporting going forward so that the Charity can better capture the impact of the funding. The evaluation is currently underway and will combine desk-based analysis with interviews from the members of the Older People & Housing Committee, the Executive, grant holders and external stakeholders with expertise in measuring impact on loneliness.

A Better Outcomes for Families evaluation, through the Church & Communities programme was commissioned in 2021/22 to evaluate the grants awarded to projects supporting parents (directly) as well as supporting children and families; many families supported are facing multiple challenges and adversity. The report contains a number of recommendations, including: to continue to fund projects whose approaches are both evidence and asset based and effective, to continue to fund in a flexible and supportive way, to consider seeking and using insights from projects to help shape future funding priorities, and to improve further the impact of the Better Outcomes for Families and Carers funding. The Church & Communities Committee will be considering the recommendations from this report and how they might be implemented.

Future plans

The current Philanthropy Framework, to which the Charity contributes, runs until 31 March 2023. A review of this framework is currently underway, which is working towards creating a refreshed Framework that will be in place from April 2023 to 2028. Until then the Charity will continue to support the Church & Communities and Older People & Housing programmes.

The Church & Communities programme will refine its priorities based on the experience of delivering the programme, to reflect a post-pandemic world. The programme will work to implement the recommendations suggested by the Better Outcomes for Families and Carers and build on the findings from the first evaluation into the homelessness priority. A third 'deep dive' into one of the two remaining priority areas yet to be independently evaluated - 'refugees' or 'stronger communities' - will also be considered during 2022.

The Older People & Housing programme will continue to support loneliness projects with a focus on targeting those in need and poverty. The programme is also supporting organisations through unrestricted funding to ensure a flexibility of response.

Financial Review

The Charity generates income primarily from its own sources through:

	2022 £	2021 £
Property investments	49,000	49,000
Stock market investments	592,000	555,000

Income from maintenance charges receivable from almshouse residents was £521,000 (2021: £526,000).

Investments

Investment property

There were no gains on property investments during the year (2021: £210,000 gains).

Listed investments

Total gains of £863,000 on stock market investments (2021: £5,071,000) were experienced in the year. There were continued markets improvements after the negative impact of the Covid-19 pandemic on global stock markets back in 2020; however, these gains were reduced in the latter part of the year due to the Ukrainian conflict. Furthermore, the primary comparator for investment performance is linked to inflation. With inflation increasing, the portfolios performed below target. The Trustee continues to monitor the performance of the portfolios and the market.

Investment Fund	Fund Return	Primary Comparator	Secondary Comparator
General Investment Fund	5.9%	10.4% (CPI+ 4.0%)	9.9% (Composite)
Cyclical Maintenance Fund	9.6%	9.9% (CPI+ 3.5%)	8.6% (Composite)
Endowment Fund	5.7%	10.4% (CPI + 4.0%)	9.9% (Composite)

Results for the year

Total income for the year was £1,162,000 (2021: £1,141,000); total expenditure for the year was £1,488,000 (2021: £1,695,000) and net gains on investments were £863,000 (2021: £5,281,000) resulting in net income for the year of £537,000 (2021: £4,727,000).

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Financial position

Net assets at the end of the year were £33,485,000 (2021: £32,948,000). These were represented by endowment funds of £19,843,000 (2021: £19,301,000), restricted funds of £1,649,000 (2021: £1,421,000) and unrestricted funds of £11,993,000 (2021: £12,226,000).

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 need. 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 (£222,000),
- transfer to the Cyclical Maintenance Fund for the following year (£203,000),
- grant making reserve for committed grants (£597,000) plus one year of grants budget not otherwise included in committed grants (£184,000)

As per the policy, the reserve required amounts to £1,206,000. The reserves of the Charity comprise the unrestricted funds excluding charitable properties and amounted to £4,789,000 in 2022 (2021: £4,823,000) exceeding the target by £3,583,000.

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, for its housing provision. 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 is the Court of Assistants. 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's Governance Committee reviewed the Charity's grant making strategy, investment policy and reserves policy in 2021/22. 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 for relief in need 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 Trustee's 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

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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 94 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.

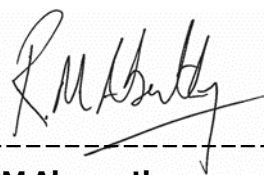
The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the applicable Charity (Accounts and Reports) Regulations.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



NAH Fenwick
Master

17 November 2022



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 2022 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 2022 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.

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 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 financial 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.

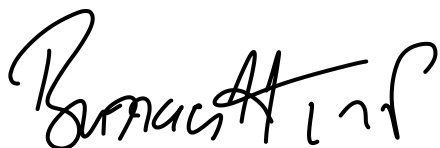
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance 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 it 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.



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

30 November 2022

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 2022

	Note	31 March 2022			31 March 2021
		Unrestricted	Restricted	Endowment	Total
		Funds	Funds	Funds	Funds
		£'000	£'000	£'000	£'000
Income					
Donations		-	-	-	-
Investments	2	593	48	-	641
Charitable activities	3	521	-	-	521
Total income		1,114	48	-	1,162
Expenditure					
<i>Raising funds:</i>					
Investment management costs	4	(29)	(5)	(56)	(90)
<i>Charitable activities:</i>					
Housing for the elderly	3, 4	(670)	(126)	(4)	(800)
Relief in need	4, 14	(598)	-	-	(598)
Total expenditure		(1,297)	(131)	(60)	(1,488)
Gains on investments	6, 7	153	108	602	863
Net (expenditure)/income		(30)	25	542	537
Transfers between funds	10	(203)	203	-	-
Net movement in funds		(233)	228	542	4,727
Fund balances brought forward at 1 April		12,226	1,421	19,301	32,948
Fund balances carried forward at 31 March		11,993	1,649	19,843	32,948

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 2021

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

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 2022

		31 March 2022		31 March 2021	
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	5	7,308		7,512	
Investment properties	6	1,750		1,750	
Quoted investments	7	23,196		22,777	
Total fixed assets			32,254		32,039
Current assets					
Debtors	8	39		42	
Cash at bank and in hand		1,309		968	
Total current assets		1,348		1,010	
Creditors: amounts falling due within one year	9	(117)		(101)	
Net current assets			1,231		909
Total net assets			33,485		32,948

The funds of the Charity:

Endowment funds	10	19,843	19,301
Restricted income funds	10	1,649	1,421
Unrestricted income funds	10	11,993	12,226
Total Charity funds	10	33,485	32,948

The attached notes on pages 25 to 39 form an integral part of these financial statements. The financial statements on pages 21 to 39 were approved by the Trustee on 17 November 2022 and signed on its behalf by:



NAH Fenwick

Master

17 November 2022



RM Abernethy

Clerk to the Mercers' Company

Statement of Cash Flows for the year ended 31 March 2022

	Note	2022 £'000	2021 £'000
Cash flows from operating activities:			
Net cash used in operating activities	12	(691)	(925)
Cash flows from investing activities:			
Dividends received		588	560
Purchase of investments		(5,052)	(5,783)
Increase in cash held by investment managers		(377)	(72)
Proceeds from the sale of investments		5,873	5,800
Net cash provided by investing activities		1,032	505
Change in cash and cash equivalents in the financial year		341	(420)
Cash and cash equivalents at the beginning of the financial year		968	1,388
Cash and cash equivalents at the end of the financial year	12	1,309	968

No separate statement of changes in net debt has been prepared as there is no difference between the movements in cash and cash equivalents and movements in net cash (debt).

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 accounts 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 impacts of the continuing 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. 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.

The Earl of Northampton's Charity

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.

The Earl of Northampton's Charity

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:

	2022 £'000	2021 £'000
Rents from investment properties	49	49
Dividend income from endowment fund	463	440
Dividend income from cyclical maintenance fund (restricted)	48	45
Dividend income from general investment fund	81	70
	641	604

3 Almshouse Income and Expenditure

Maintenance charges received from residents at the almshouses amounted to £521,000 in 2022 (2021: £526,000).

Almshouse income and expenditure is analysed as follows:

	2022		2021	
	Trinity Hospital Greenwich £'000	Trinity Hospital Shotesham £'000	Trinity Hospital Greenwich £'000	Trinity Hospital Shotesham £'000
Income from maintenance charges	466	55	466	60
Property operating costs	(331)	(43)	(260)	(38)
Major repairs and projects	(103)	(23)	(324)	(7)
Administration and entertainment	(56)	(9)	(62)	(11)
Depreciation	(187)	(17)	(185)	(15)
Total almshouse expenditure	(677)	(92)	(831)	(71)
Net expenditure	(211)	(37)	(365)	(11)

The Earl of Northampton's Charity

4 Expenditure

a) Analysis of total expenditure:

			Governance & Other			
	Further	Grant-	Support	direct	Total	Total
	notes	making	costs	costs	2022	2021
		£'000	£'000	£'000	£'000	£'000
<i>Raising funds</i>						
Investment management costs		-	2	88	90	64
<i>Charitable activities</i>						
Housing for the elderly	3	-	31	769	800	930
Relief in need	14	556	34	8	598	701
		556	67	865	1,488	1,695

			Governance & Other			
	Further	Grant-	Support	direct	Total	
	notes	making	costs	costs	2021	
		£'000	£'000	£'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		658	24	19	701	
		658	53	984	1,695	

The Earl of Northampton's Charity

b) Analysis of support costs

	Basis of apportionment	Raising funds £'000	Housing for the elderly £'000	Relief in need £'000	Total 2022 £'000	Total 2021 £'000
Staff costs	Staff time	2	14	29	45	30
Office administration	Staff time	-	-	5	5	5
Audit fees	Staff time	-	14	-	14	16
Insurance	Staff time	-	3	-	3	2
		2	31	34	67	53

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

The Charity has no employees (2021: 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 (2021: nil). No Trustee indemnity insurance costs have been paid by the Charity. Please see note 3 for detailed analysis of almshouse running costs. £13,800 (including irrecoverable VAT) (2021: £13,380) was charged to the SOFA for audit fees.

The Earl of Northampton's Charity

5 Tangible Assets

	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 2021 and carried forward at 31 March 2022	2,973	6,355	57	812	10,197
<u>Accumulated depreciation</u>					
Balance brought forward at 1 April 2021	(705)	(1,716)	(57)	(207)	(2,685)
Charge for the year	(59)	(128)	-	(17)	(204)
Balance carried forward at 31 March 2022	(764)	(1,844)	(57)	(224)	(2,889)
Net book value at 31 March 2022	2,209	4,511	-	588	7,308
Net book value at 31 March 2021	2,268	4,639	-	605	7,512

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

The Earl of Northampton's Charity

6 Investment Properties

The Charity's investment properties are as follows:

	1 April 2021 £'000	Revaluation Gains £'000	31 March 2022 £'000
Freehold property	1,750	-	1,750
Historical cost	30		30

A full external valuation was done on 31 March 2021 by CBRE Limited, which is an independent firm of qualified surveyors. the revaluation gain in 2020/21 was £210,000. No external valuation was undertaken this year; the Trustee undertook an Internal valuation and considers these values to be fair and reasonable.

7 Quoted Investments

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

	1 April 2021 £'000	Purchases £'000	Sales £'000	Movement in cash £'000	Revaluation Gains £'000	31 March 2022 £'000
General Fund	3,750	955	(1,376)	38	104	3,471
Restricted Cyclical Maintenance Fund	1,574	285	(308)	74	100	1,725
Endowed Fund	17,453	3,812	(4,178)	265	648	18,000
	22,777	5,052	(5,862)	377	852	23,196
Historical cost	18,752					18,570

The Earl of Northampton's Charity

The investment allocation at the year end was as follows:

	2022	
	£'000	%
UK Equities	11,220	48.4
Fixed Interest	1,513	6.5
Overseas Equities	7,935	34.2
Alternatives	1,436	6.2
Cash	1,092	4.7
Total	23,196	100.0

No individual holding in each of the investment classes above was more than 5% of total investments. Net investment gains on quoted investments during the year totalled £863,000 (2021: £5,071,000).

8 Debtors

Debtors are made up as follows:

	2022	2021
	£'000	£'000
Dividends receivable	16	12
Prepayments and accrued income	23	30
	39	42

9 Creditors: Amounts Falling Due Within One Year

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

	2022	2021
	£'000	£'000
Rent received in advance	33	35
The Mercers' Company	2	16
Accruals	82	50
	117	101

The Earl of Northampton's Charity

10 Analysis of Funds

The net assets by funds are as follows:

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2022 Total funds £'000
Tangible fixed assets	7,204	–	104	7,308
Quoted investments	3,471	1,725	18,000	23,196
Property investments	–	–	1,750	1,750
Net current assets (liabilities)	1,318	(76)	(11)	1,231
Total	11,993	1,649	19,843	33,485

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2021 Total funds £'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

Restricted Funds

The Restricted Funds comprise the Cyclical Maintenance Fund which includes the Extraordinary Repair Fund required by the Scheme of Management. £203,000 (2021: £203,000) was transferred into the fund from Unrestricted Funds during the year to provide for future repairs and maintenance of the almshouse properties. £126,000 (2021: £331,000) 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.

The Earl of Northampton's Charity

11 Grant Commitments

The Charity had the following commitments in respect of charitable grants, subject to various conditions, at the end of the year (2022: £597,375; 2021: £737,209):

Programme Area & Beneficiary Charity	2023 £	2024 £	2025 £
Older People & Housing Programme			
Age UK Norwich	33,131	-	-
Business in the Community	50,000	25,000	10,000
Jubilee Almshouses *	1,000	1,000	1,000
Katherine Low Settlement	25,000	-	-
Norfolk Community Foundation	75,000	-	-
St Michael's Church, Framlingham	250	250	250
Sydenham Gardens	22,008	-	-
Trinity Hospital, Castle Rising *	3,000	3,000	3,000
Trinity Hospital, Clun *	3,000	3,000	3,000
Trinity Hospital, Clun	10,000	-	-
Trinity Hospital, Castle Rising	15,000	-	-
Vision Norfolk	40,000	-	-
West Norfolk Befriending	18,993	18,993	-
Church & Communities Programme			
Crest	25,000	-	-
Footprints in the Community	25,000	-	-
Open Door	30,000	-	-
PCC of Ecclesiastical Parish of Stockton-on-Tees	62,500	-	-
The Living Room Great Yarmouth	12,500	12,500	-
Your Own Place CIC - grant	15,000	-	-
Your Own Place CIC - loan	50,000	-	-
Total	516,382	63,743	17,250

* 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 To Net Cash Flow From Operating Activities

	2022	2021
	£'000	£'000
Net income for the reporting year (as per statement of financial activities)	537	4,727
Adjustments for:		
Depreciation	204	200
Gains on investments	(863)	(5,281)
Dividends receivable	(592)	(555)
Decrease in debtors	7	-
Increase/(decrease) in creditors	16	(16)
Net cash used in operating activities	(691)	(925)

ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022	2021
	£'000	£'000
Cash at bank in hand	1,309	968
Total cash and cash equivalents	1,309	968

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
Longacre Estates Limited (dormant)
Longmartin Properties Limited
Maiden Trading Limited (dormant)
Mercers' Company Housing Association
Mercers' School Memorial Trust (incorporating The Merrett Bequest)
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 £135,000 (2021: £128,000). £2,000 was due to the Company at the balance sheet date (2021: £16,000). There were no further transactions with any of the above entities (2021: none).

The Earl of Northampton's Charity

14 Grants

Listed below are all 21 charitable grants made during the year for the relief in need:

Programme Area & Beneficiary	2022 £	2022 £
Older People & Housing Programme		
Advice Support Knowledge Information	20,000	
Creative Arts East	40,000	
Independence at Home	2,800	
Jubilee Trust Almshouses	2,000	
Katherine Low Settlement	25,000	
Linking Lives UK	30,000	
Norfolk Community Foundation	45,000	
North Norfolk Community Transport	33,011	
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	
Vision Norfolk	40,000	
YOPEY	15,000	
		318,569
Church & Communities Programme		
CREST (Compact for Race Equality in South Tyneside)	25,000	
Footprints in the Community	25,000	
Open Door North East	30,000	
The Parochial Church Council of the Ecclesiastical Parish of		
Stockton-on-Tees St Peter	37,500	
Winner the Preston Road Women's Centre	100,000	
Your Own Place CIC	20,000	
		237,500
Total (2021: £658,997)		556,069

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

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Rathbone Brothers Plc

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London, EC2M 7AZ

PROPERTY MANAGEMENT

Knight Frank

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INDEPENDENT AUDITOR

Buzzacott LLP

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