

ANNUAL REPORT AND GROUP ACCOUNTS
OF
GREAT HOSPITAL, NORWICH
FOR THE YEAR ENDED 31 MARCH 2022

REGISTERED CHARITY NUMBER: 211953
REGULATOR OF SOCIAL HOUSING NUMBER: A0846

GREAT HOSPITAL, NORWICH
ANNUAL REPORT AND STATEMENT OF ACCOUNTS
YEAR ENDED 31 MARCH 2022

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GREAT HOSPITAL, NORWICH
ANNUAL REPORT AND STATEMENT OF ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2022

The Trustees of the Great Hospital are:

Mr J P Stanley MA (Oxon) FCA	Chairman
Mr J A Banham FCA CF	Vice Chairman
Mr D H Buck (retired 31 March 2022)	
Mr F N Davey	
Mrs C Jeffries	
Mr D R Marris Dipl Arch. RIBA (retired 31 March 2022)	
Mrs G A Pearson	
Mr K J Revell (appointed 9 June 2021)	
Dr C A Singh MB ChB MRCP DRCOG DCH	
Mr W J Walker BSc FRICS	
Mr A J Yuill	

The Officers, Senior Managers and principal external advisors are:

Master and Chief Executive	Mr A J Barnes (resigned 31 July 2021)
	Mrs G K Dörner (appointed 4 October 2021)
Interim Master and Chief Executive	Miss N S Tansley BA (23 July 2021 – 3 October 2021)
Clerk & Company Secretary	Mr W R C Riley (retired 30 April 2021)
	Mr D Chapman (appointed 9 June 2021)
Executive Manager	Miss N S Tansley BA
Care Manager	Ms N Shrimpton (resigned 21 August 2021)
Interim Care Manager	Ms A M Johnson (appointed 1 June 2022)
Estate Manager	Mr A Buckingham BSc (resigned 6 July 2022)
	Mr G Crisp (appointed 4 July 2022)
Finance Manager	Miss E Tabora ACCA (resigned 16 December 2021)
	Mr I D Feltham MA (Oxon) ACA (appointed 6 December 2021)
Chaplain	The Rev'd Canon E Langan
Steward	Mr N F Saffell FRICS

Principal Office	The Great Hospital Bishopgate Norwich NR1 4EL
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Bankers	Barclays Bank Plc 5-7 Red Lion Street Norwich NR1 3QH
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Solicitors	Leathes Prior 74 The Close Norwich NR1 4DR
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Auditors	Larking Gowen LLP King Street House 15 Upper King Street Norwich NR3 1RB
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Investment Managers	Investec Wealth and Investment Limited 30 Gresham Street London EC2V 7QN
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GREAT HOSPITAL, NORWICH

REPORT OF THE TRUSTEES

YEAR ENDED 31 MARCH 2022

The Trustees have pleasure in presenting their report and the financial statements for the year ended 31 March 2022. The purpose of these is to discharge the Trustees' duty of public accountability and stewardship.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Trust Deed (the Scheme of Charity), the Accounting Direction for Private Registered Providers of Social Housing in England 2019 and with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)).

Reference and administrative details of the Charity, its Trustees and Advisors

The Great Hospital, situated in Bishopgate in the City of Norwich, is an unincorporated association, founded in 1249 by Walter de Suffield, Bishop of Norwich.

The Great Hospital is a Registered Charity (number 211953), governed by a Scheme of the Charity Commissioners dated 12 January 1983 (as amended by Schemes dated 2nd July 1996 and 15th January 2001). It is a Registered Social Landlord with the Regulator of Social Housing (number A0846) and also registered by the Care Quality Commission as a provider of Domiciliary Care.

The Charity has significant endowments in the form of directly-owned property and financial instruments of various types which the Trustees and Master manage with the advice of professional advisors. The income is used for the purposes as specified in the Scheme of Charity.

The names of the Trustees who have served during 2021/22 are set out on page 1, together with the names of Officers and Senior Managers of the Charity and external advisors.

Structure, governance and management

A Board of Trustees is responsible for the governance of the Great Hospital. Each Trustee is appointed by the Board of Trustees for a term of office of five years, after which period they may put themselves forward for re-appointment. All Trustees must live within a radius of 25 miles of the Cathedral Church of Norwich.

The Board of Trustees elects new Trustees who have the knowledge and experience to ensure that there is an appropriate skill mix to meet the needs of the Charity. New Trustees are required to complete an induction course which enables them to understand fully the aims and ethos of the Great Hospital and to help them to identify the risks, benefits and opportunities that exist.

The full Board of Trustees meets quarterly. There are three other major Committees which meet quarterly: the Policy Committee, the Finance Committee and the Care Committee. These Committees oversee all policy and investment matters pertaining to the operation of the Charity. The Committees' meetings allow for effective input from Trustees in their particular area of expertise and for close working relationships with the senior management team. Each Committee Chairman reports to the full Trustee Board quarterly.

Trustee training sessions are held annually and also when needed for specific requirements. The Policy Committee keeps this under review on a regular basis. Strategic reviews are conducted annually by the Policy Committee.

Different aspects of the work of the Great Hospital are regulated by three external statutory bodies, the Charity Commission, the Regulator of Social Housing and the Care Quality Commission. Historic England has formal oversight of the management of the heritage buildings which are of national and international significance and the Great Hospital is a member of the Almshouse Association.

The Master has the delegated authority to manage the Charity within the terms of the Scheme of Charity and in accordance with agreed policies and budgets, which are approved by the various Committees and ratified at the Trustees' plenary sessions.

GREAT HOSPITAL, NORWICH

REPORT OF THE TRUSTEES

YEAR ENDED 31 MARCH 2022

Salaries for the senior management team are set by the Master who monitors similar executive positions in the charity sector both locally and nationally. The Master's (CEO's) salary is determined by the Trustees, taking into account the skill set needed for the position and remuneration packages offered for similar appointments both locally and nationally.

Connected Charities

There are two connected Charities. They are Preachers' Charity (registered number 212127) and Sir Peter Seaman's Charity (registered number 311101). The Trustees of the Great Hospital are also Trustees of both of these Charities and both are managed by the Master of the Great Hospital in accordance with the various Schemes.

The objects of the Preachers' Charity are to distribute two-thirds of the Charity's net income for the religious and other charitable work of the Dean and Chapter of Norwich Cathedral and the remaining one third for the benefit of the inhabitants of the City of Norwich. The City is defined as the electoral area of the City and the contiguous parishes of Old Catton, Sprowston, Thorpe St Andrew, Trowse with Newton, Cringleford, Colney, Costessey, Taverham, Drayton, Hellesdon and Horsham and Newton St Faiths. The Charity distributed £2,450 for the benefit of the inhabitants of the City of Norwich during the year ended 31 March 2022.

The objects of the Sir Peter Seaman's Charity are to promote the education, including social and physical training, of young persons under the age of 21 living in the City of Norwich who, in the opinion of the Trustees, are in need of financial assistance. The City is defined as the electoral area of the City and the contiguous parishes of Old Catton, Sprowston, Thorpe St Andrew, Trowse with Newton, Cringleford, Colney, Costessey, Taverham, Drayton, Hellesdon and Horsham and Newton St Faiths. The Trustees distributed £2,031 in the year ended 31 March 2022.

Risk assessment and management

The Trustees have a formal risk management process to assess strategic, financial and operational risks and implement risk management strategies. This involves identifying the types of risks the Charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying appropriate means of managing the risks. The risk register is reviewed at least annually but more often if other risks to the organisation emerge.

Key risks considered include the ongoing financial viability of the Great Hospital and operational risks relating to health and safety. The Great Hospital relies on a combination of resident contributions mostly funded from state benefits and returns from its investment portfolio in order to provide accommodation, care and support for its residents and preserve the fabric of its heritage buildings. A regular programme of refurbishment is carried out to ensure accommodation remains of an appropriate standard and provides value for money. Flexibility is maintained by the Great Hospital in the generation of investment returns from its adoption of a "total return" approach to investments allowing the portfolio of investments to be constructed to maximise returns within an acceptable level of risk. As a part medieval site with numerous steps and uneven surfaces accessed both by older residents and visitors, the Trustees and Managers are very conscious of potential health and safety hazards. Residents also have cooking facilities within their accommodation. The Great Hospital has therefore developed a comprehensive health and safety framework and culture led by the Master, supported by the Health and Safety Committee, with regular training for all employees, fire marshals and first aiders permanently on site, and regular risk assessments, safety checks and inspections.

Statement of responsibilities of the Board of Trustees

Charity and registered social housing legislation requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Charity and of the surplus or deficit for that period. In preparing these financial statements, the Trustees are required to:

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

GREAT HOSPITAL, NORWICH

REPORT OF THE TRUSTEES

YEAR ENDED 31 MARCH 2022

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable it to ensure that the financial statements comply with the Trust Deed (the Scheme of Charity), the Charities Act 2011, Schedule 1 to the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing In England 2019. They are also responsible for safeguarding the assets of the Charity and for taking appropriate measures to ensure the prevention and detection of fraud and other irregularities.

Public Benefit

In setting the objectives for the year, the Trustees have once again given careful consideration to the Charity Commission's general guidance on public benefit and continue to be mindful of their responsibilities in this regard. The Great Hospital was originally founded to provide relief for the poor and needy of the City of Norwich through the provision of shelter and sustenance and the wellbeing and interests of the residents remain the primary focus. Further, the Trustees are fully committed to maintaining the unique and important set of medieval and other heritage buildings and continue to fund a significant programme of maintenance and refurbishment.

Charity's Fundraising Work

The Trustees, the Master and the senior management team are clear about "who we are", "what we do" and how donations are used. They respect the rights, dignities and privacy of the Great Hospital's supporters and beneficiaries, and those of the connected Charities of Preachers' Charity and Sir Peter Seaman's Charity, and do not put undue pressure on a prospective donor to make a gift. If a prospective donor does not want to give, or wishes to cease giving, the decision will be respected entirely.

Professional telephone or street fundraisers, or commercial participators, are not employed or otherwise engaged to carry out fundraising activities and nor does the Great Hospital, Preachers' Charity or Sir Peter Seaman's Charity directly approach members of the public.

The Great Hospital, Preachers' Charity and Sir Peter Seaman's Charity comply with all relevant statutory regulations, including the Charities Act 2011, Data Protection Act 2018, the General Data Protection Regulation 2016/679 and the Privacy and Electronic Communications Regulations 2003. There were no breaches of these regulations in the period. The Trustees, the Master and the senior management team always seek to act in ways that are legal, open, honest and respectful - striving for best practice in fundraising. This includes logging, recording and responding to all complaints. No complaints were received in the period.

Objects and activities

The 'objects' of the Great Hospital as set out in the Scheme of Charity are:

'the provision and maintenance in the City of Norwich of the Parish Church of St Helen and of the almshouses known as the Great Hospital founded in accordance with the benevolent designs of King Edward the Sixth'.

Eligibility for residency at the Great Hospital is in accordance with the Scheme of Charity and as detailed in the Admissions Policy. Applicants who satisfy the age criteria must be resident in the greater Norwich area (as defined in the Scheme), must be in need and would, in the view of the Trustees as advised by the Master, benefit from being a resident. Persons who are resident elsewhere but who have lived or worked in Norwich will also be considered.

The 'aims' of the Charity are:

1. To preserve the fabric of the heritage building stock
2. Whenever possible, to provide a home for life for the residents in a secure and safe community
3. To provide care and support principally on a domiciliary basis
4. To continue to grow future investment income by investing endowment funds in appreciating assets as market conditions permit
5. To use the heritage assets to generate revenue and to be accessible to the public at large while acknowledging the sensitivity of the site and the wishes of the residents who live on it

Each year the Trustees review the objectives and activities to ensure they continue to reflect the aims.

GREAT HOSPITAL, NORWICH

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YEAR ENDED 31 MARCH 2022

As noted earlier, in carrying out this review the Trustees have considered the Charity Commission's general guidance on public benefit and have also assessed the outcomes in terms of value for money.

Details of the specific objectives of the Great Hospital for the year ended 31 March 2022 and of the progress achieved in relation to these are as follows:

As a paramount objective, to provide a high level of care and support to the residents of the Great Hospital during the coronavirus pandemic and to develop such facilities and services for their welfare and wellbeing as are necessary and desirable to meet their continuing needs in the context of the coronavirus pandemic.

A high level of care and support was provided during 2021/22 including:

- Arranging for on-site vaccinations for all Residents
- Providing regular testing facilities
- An increased investment in cleaning and hygiene services
- The opening of an outdoor pub and cafe on site
- Increased catering including meal deliveries and takeaways
- The provision of grocery shopping and similar services
- Regular communications to Residents and their families

We will continue to invest in upgrading our plant and equipment servicing our residents to deliver more cost efficient and environmentally friendly services.

- all boilers have now been replaced with efficiency improvements expected to partially offset the spiralling cost of energy

We will commence a detailed review of future needs and associated funding in order that both the existing operations and the planned development of Elaine Herbert House maximises the public benefit for current and future beneficiaries of the Charity

- future demands and needs have been assessed and approval has been given for the initial phase of the Elaine Herbert House redevelopment which includes demolition of the existing building and preparatory site investigations

Overview of the accounts

Summary

The Great Hospital achieved an occupancy level of 94.3% in the financial year against a target of 95% and this has resulted in net expenditure before gains and losses for the year of £502,119 (2021: £435,628) with a 6.8% increase in income to £2,147,386 and a 8.3% increase in expenditure to £2,649,505. The Charity's actual performance is being measured against the budget on a monthly basis and any variances against the budget are investigated to improve efficiency and performance.

In accordance with its charitable and strategic objectives, the Great Hospital maintains, repairs and improves the buildings on its site and seeks to provide enhanced accommodation for the benefit of its residents. It has achieved savings and greater value for money from procuring services from alternative suppliers and in reviewing its working practices. It has introduced regular tendering procedures for procurement where they did not exist and is implementing a long-term plan for investment in more efficient energy provision to realise cost savings, environmental benefits and increased comfort for residents, including heating installations and improvements in thermal efficiency.

The total net assets of the Charity increased by 4.0% to £36,024,823.

GREAT HOSPITAL, NORWICH

REPORT OF THE TRUSTEES

YEAR ENDED 31 MARCH 2022

Investment policy

The Trustees have the power to administer and manage the assets of the Charity. The Trustees have delegated the management of its investment portfolio of stocks and shares to Investec Wealth and Investment Limited, a firm of independent investment managers.

Investment returns are a critical source of funding both in respect of the provision of services to residents and in terms of the maintenance of the heritage buildings. Trustees agree a target real rate of return (over and above the return required to maintain the inflation adjusted value of the Endowment Fund) with Investec Wealth and Investment Limited's Investment Managers based on their expert view of potential future returns. The benchmark portfolio recognises the Great Hospital's long-term investment horizon and risk appetite. In the year to 31 March 2022 the financial investments portfolio achieved a total return of 7.11% before investment management fees compared to a benchmark return of 8.37%.

The Trustees have also delegated the day to day management of its property portfolio to Brown & Co – Property and Business Consultants LLP, a firm of independent Chartered Surveyors. Brown & Co have been instructed to maximise the rental income from properties, reporting to the Master and Trustees as necessary, and also to advise the Trustees of any new investment opportunities.

Total Return policy

The Trustees continue to take advice from their investment advisors on expected long term real rates of return from the investment portfolio. The advice takes into consideration a number of factors including the construction of the Charity's investment portfolio, the position in the investment cycle and the outlook for inflation.

The total return approach enables the Trustees to decide each year how much of the unapplied total return is transferred to Income funds and is available for expenditure.

To determine the transfer each year the Trustees review the balance of the unapplied total return, the latest view from Investec Wealth and Investment Limited on sustainable real returns and the operational requirements of the Charity. Further information is disclosed in note 23.

Following this review a provisional allocation to Income funds is set for budgeting purposes and performance is monitored on a quarterly basis during the financial year. The actual allocation to income funds for the year is confirmed at the final Finance Committee meeting each financial year. During the year ended 31 March 2022 the Trustees reviewed the performance of the investment portfolio in order to satisfy themselves that the current levels of transfer remained sustainable. The Trustees were pleased to note that the value of the Charity's assets had outperformed the target of keeping pace with inflation and had in fact increased in real terms over the 9 years since April 2013 when the total return approach had been introduced.

Reserves policy

The Great Hospital aims to hold around £500,000 in cash at bank as working capital, representing 3 months worth of expenditure. The balance at 31 March 2022 was £1,178,855 reflecting additional planned capital and refurbishment works (2021: £802,553).

It is not considered necessary to hold cash at a higher level as the Total Return Approach to investment management means additional funds can be transferred from the Endowment Fund as and when required.

The Endowment Fund stood at £26,522,833 at 31 March 2022. Under the Total Return Approach, the entirety of the Endowment Fund can be utilised for the benefit of current and future beneficiaries other than an amount of £5,091,310 known as the Investment Fund, representing the value of original donations.

Assets

The overall value of the Charity's net assets on 31 March 2022 was £36,031,707. Fixed and current assets are as set out in the balance sheet.

The value of the Charity's non-property investments other than those held as cash deposits was £19,279,749.

The investment property portfolio, which comprises residential, commercial and agricultural land and buildings, was formally valued as at 31 March 2022 at £6,138,524 by the Great Hospital's investment property advisers Brown & Co Property and Business Consultants LLP (note 15).

GREAT HOSPITAL, NORWICH

REPORT OF THE TRUSTEES

YEAR ENDED 31 MARCH 2022

In view of the Charity's substantial investments and assets the Trustees consider there is no material uncertainty in relation to the going concern assessments.

Value for money

In accordance with the Great Hospital's charitable purpose, in particular its obligation to maintain the accommodation occupied by residents and the other buildings on its site, the Charity's operational expenses are subsidised from the return on its capital funds and investments.

The value of that subsidy in the current financial year amounts to £1,126,362 (2021: £959,589) (operating deficit from Social Housing operation), which is 47.18% (2021: 42.43%) of the total expenditure incurred.

The Trustees intend to benefit the residents in future years by increasing the value of the services they receive, achieved through continued monitoring and scrutiny of operational expenses across the Charity.

In April 2018, the Regulator introduced a new Value for Money Standard in order to measure economy, efficiency and effectiveness.

Due to the unique nature of the Charity's operations, and the way housing activities are financed, it is not possible to make meaningful comparisons with an appropriate peer group.

The Value for Money metrics set out below show how the Great Hospital had performed since the introduction of the standard.

Metrics and Basils

	2022	2021
1. Reinvestment	3%	3%
The metrics looks at the Investment in properties both new and existing as a percentage of the value of total properties held.		
2. New Supply Delivered	-	-
3. Gearing	-25%	-8%
This metric assesses how much of the assets are made up of debt and the degree of dependence on debt finance.		
4. Earnings before interest, tax, depreciation, amortisation, major repairs included (EBITDA MRI) Interest Cover	1,616%	1,165%
This is a key indicator for liquidity and Investment capacity.		
5. Headline Social Housing cost per unit	£22,594	£20,113
This metric assesses the headline social housing cost per unit as defined by the Regulator.		
6. Operating Margin		
This metric measures profitability, and is a way of measuring the financial efficiency of a business.		
Operating Margin (A)	-89%	-73%
Operating Margin (B)	-23%	-22%

GREAT HOSPITAL, NORWICH
REPORT OF THE TRUSTEES
YEAR ENDED 31 MARCH 2022

7. Return on Capital Employed

4%

8%

This metric measures the efficiency of Investment of capital resources.

Future plans

Our immediate priority remains the provisions of care and support to the residents of the Great Hospital, extending our facilities and services as necessary to promote welfare and wellbeing as we adjust to living with Covid.

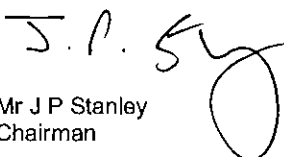
We will encourage greater engagement through the introduction of a Residents Committee providing an additional route for feedback and suggestions.

We will appoint contractors and agree a timetable for the first phase of the Elaine Herbert House redevelopment involving the demolition of the existing building and the completion of the various investigations required in order to give greater cost certainty on the eventual investment required and consider options for funding this.

Thanks

The Trustees and Master would like to express their sincere thanks to the Great Hospital staff who showed great care, flexibility and commitment in supporting our Residents through another year inevitably dominated by Covid.

On behalf of the Trustees


Mr J P Stanley
Chairman

Date: 21 September 2022

Independent auditors' report to the Trustees of the Great Hospital

Opinion

We have audited the financial statements of The Great Hospital (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Report of the Trustees, Consolidated Statements of Financial Activities, Consolidated and Parent Charity Balances Sheets, Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2022, and of the group's incoming resources and application of resources 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, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other Information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Independent auditors' report to the Trustees of the Great Hospital

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 3, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 136 of the Housing and Regeneration Act 2008 and report in accordance with regulations made under section 154 of the Charities Act 2011 and section 137 of the Housing and Regeneration Act 2008.

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 was as follows:

- We enquired of the Trustees about their own identification and assessment of the risks of irregularities.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- We made enquiries of the Trustees and staff in the finance function of the charity concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations;
- We read minutes of Trustee meetings and reviewed any correspondence with regulators.
- Auditing the risk of management override of controls, including through journal entries and other adjustments for appropriateness.

Because of the field in which the charity operates, we identified the following areas as most likely to have a material impact on the financial statements: Health and Safety, employment law, GDPR, CQC and compliance with the Charities Act 2011, the Housing and Regeneration Act 2008 and Financial Reporting Standard (FRS)102.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls we test the appropriateness of journal entries and other adjustments; we assess whether the judgements made in making accounting estimates are indicative of a potential bias; and we evaluate the business rationale of any significant transactions that are unusual or outside the normal course of business for the Scheme.

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Larking Gowen LLP
Chartered Accountants and Statutory Auditors
NORWICH

Date: 28 September 2022

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

GREAT HOSPITAL, NORWICH

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 MARCH 2022

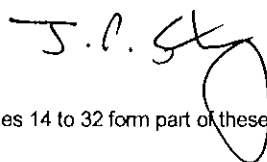
	Notes	Unrestricted Fund £	Restricted Fund £	Endowment Fund £	2022 Total £	2021 Total £
Income and endowments from:						
<i>Donations and legacies</i>	2	106,776	-	-	106,776	58,054
<i>Income from charitable activities:</i>						
Contributions from residents	3	1,317,298	-	-	1,317,298	1,301,974
<i>Other trading activities:</i>						
Functions		19,725	-	-	19,725	-
Shop Income		-	-	-	-	135
<i>Investments:</i>						
Property Income	4	-	-	287,039	287,039	240,613
Interest and Investment income	10	-	-	413,787	413,787	408,163
<i>Other income</i>	11	2,761	-	-	2,761	2,017
Total income and endowments		1,446,560	-	700,826	2,147,386	2,010,956
Expenditure on:						
<i>Cost of raising funds:</i>						
Investment management costs	5	-	-	155,558	155,558	133,818
<i>Expenditure on charitable activities:</i>						
Services	6	1,264,428	-	-	1,264,428	1,214,163
Management	7	552,830	-	-	552,830	479,572
Maintenance	8	398,417	-	-	398,417	340,068
Depreciation	9	262,618	17,104	-	279,722	276,502
<i>Expenditure on other trading activities:</i>						
Functions expenditure		-	-	-	-	8
<i>Other expenditure</i>		-	-	-	-	2,453
Total expenditure		2,478,293	17,104	155,558	2,650,955	2,446,584
Net income / (expenditure) before gains and losses on Investments		(1,031,733)	(17,104)	545,268	(503,569)	(435,628)
Net gains / (losses) on investments 15&16		-	-	1,874,367	1,874,367	3,270,987
Net income / (expenditure)		(1,031,733)	(17,104)	2,419,635	1,370,798	2,835,359
Transfers between funds	23&24	1,050,000	-	(1,050,000)		
Net movement in funds		18,267	(17,104)	1,369,635	1,370,798	2,835,359
Reconciliation of funds:						
Total funds brought forward		9,004,812	496,015	25,153,198	34,654,025	31,818,666
Total funds carried forward		9,023,079	478,911	26,522,833	36,024,823	34,654,025

GREAT HOSPITAL, NORWICH
BALANCE SHEET
AS AT 31 MARCH 2022

	Notes	Consolidated 2022	2021	Parent Charity 2022	2021
		£	£	£	£
Fixed assets					
Housing Association Scheme properties	14a&b	711,623	737,038	711,623	737,038
Equipment	14a&b	482,601	298,806	482,601	298,806
Improvements to Great Hospital buildings	14a&b	7,243,358	7,463,593	7,243,358	7,463,593
Property in the course of construction	14a&b	187,993	187,993	7,343	7,343
Investment properties	15	6,138,524	5,850,561	6,138,524	5,850,561
Investments	16&22	19,279,749	19,430,662	19,279,749	19,430,663
Programme related investment	17	-	-	179,000	173,000
		<u>34,043,848</u>	<u>33,968,653</u>	<u>34,042,198</u>	<u>33,961,004</u>
Current assets					
Stock	18	7,244	6,649	7,244	6,649
Debtors and prepayments	19	239,494	179,972	247,366	188,234
Cash at bank and in hand		1,178,855	802,553	1,174,992	800,227
Cash held by Investment brokers		1,029,069	9,710	1,029,069	9,710
		<u>2,454,662</u>	<u>998,884</u>	<u>2,458,671</u>	<u>1,004,820</u>
Less:					
Creditors:					
Amounts falling due within one year	20	(381,581)	(220,637)	(377,056)	(215,909)
Net current assets		<u>2,073,081</u>	<u>778,247</u>	<u>2,081,615</u>	<u>788,911</u>
Total assets less current liabilities		<u>36,116,929</u>	<u>34,746,900</u>	<u>36,123,813</u>	<u>34,749,915</u>
Less:					
Creditors:					
Amounts falling due after one year	21	(92,106)	(92,875)	(92,106)	(92,875)
Total net assets		<u>36,024,823</u>	<u>34,654,025</u>	<u>36,031,707</u>	<u>34,657,040</u>
Represented by:					
The funds of the charity:					
Endowment fund	23	26,522,833	25,153,198	26,522,833	25,153,198
Restricted fund	24	478,911	496,015	478,911	496,015
Income fund (unrestricted)	24	9,023,079	9,004,812	9,029,963	9,007,827
		<u>36,024,823</u>	<u>34,654,025</u>	<u>36,031,707</u>	<u>34,657,040</u>

The financial statements on pages 11 to 32 were approved by the Board of Trustees on 21 September 2022 and were signed on their behalf by:

Mr J Stanley



The notes on pages 14 to 32 form part of these financial statements

GREAT HOSPITAL, NORWICH
CONSOLIDATED CASHFLOW STATEMENT
AS AT 31 MARCH 2022

	2022 £	2021 £	
Net cash outflow from operating activities (see below)	(231,799)	(53,169)	
Cash Flows from Investing activities			
Interest, dividends and rents received	700,826	648,776	
Purchase of fixed assets	(217,867)	(278,059)	
Investment property transactions	43,286	-	
Proceeds from sale of investments property	-	-	
Proceeds from sale of investments	3,490,021	2,922,814	
Purchase of investments	(2,388,037)	(2,972,909)	
Net cash provided by Investing activities	1,628,229	320,622	
Cash flows from financing activities			
Repayment of borrowing	(769)	(746)	
Net cash provided by financing activities	(769)	(746)	
Change in cash and cash equivalents in the year	1,395,661	266,707	
Cash and cash equivalents brought forward	812,263	545,556	
Cash and cash equivalents carried forward	2,207,924	812,263	
Reconciliation of net income to net cash outflow from operating activities			
	2022 £	2021 £	
Net Income / (Loss)	(503,569)	2,835,359	
Interest, dividends and rents received	(700,826)	(648,776)	
(Gains)/Losses on Investments	592,047	(3,270,987)	
Depredation	279,722	276,503	
Decrease / (increase) in debtors	(59,522)	751,918	
Decrease / (increase) in stock	(595)	(1,460)	
Increase / (decrease) in creditors	160,944	4,274	
Net cash outflow from operating activities	(231,799)	(53,169)	
Analysis of changes in cash and cash equivalents:			
	1 Apr 2021 £	Cash flows £	31 Mar 2022 £
Cash at bank and in hand	802,553	376,302	1,178,855
Cash held by investment brokers	9,710	1,019,359	1,029,069
Total	812,263	1,395,661	2,207,924

The notes on pages 14 to 32 form part of these financial statements

GREAT HOSPITAL, NORWICH

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2022

1. Accounting Policies

a) Basis of accounting

The accounts are prepared under the historical cost convention, modified to include the revaluation of certain fixed assets. The Housing SORP 2014 requires any almshouse that is not governed by the Landlord and Tenant Act 1985, and operates predominantly for charitable purposes, to adopt the Charities SORP when preparing its financial statements. The Great Hospital is a registered almshouse (membership number 333), and meets the other listed conditions and has therefore prepared the financial statements in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014, the accounting requirements of the Accounting Direction for Private Registered Providers of Social Housing 2019 and with charity law.

The Great Hospital meets the definition of a public benefit entity under FRS 102.

Preparation of the financial statements require management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include: useful economic lives of tangible assets - the annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of assets. The useful economic lives and residual values are reassessed annually. See note 14 for the carrying amount of property, plant and equipment and note 1 (f) and (i) for the useful economic lives for each class of assets; investment property valuations - the treatment of investment property is explained in note 1 (g) and the carrying value can be found in note 15.

The most significant area of uncertainty that affects the future value of the charity's assets is the performance of the property and listed investment market.

b) Consolidation

Under statute group financial statements are required. These consolidate the Charity and its subsidiary TGH (Commercial) Limited.

c) Income and Expenditure

All income is recognised once the group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

d) Government Grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the statement of financial activities as the related expenditure is incurred.

e) Fixed assets - Housing Association scheme properties

Properties included under Housing Association scheme properties are stated at cost less depreciation which includes the following:

- i Cost of acquiring land and buildings
- ii Development expenditure
- iii Interest charged on the mortgage loans raised to finance the scheme, including notional interest.

Interest on the mortgage loan financing the development is capitalised up to the relevant date of interim SHG payment, (see note 1j). Interest on the residual mortgage loan after this date is charged to the Statement of Financial Activity.

GREAT HOSPITAL, NORWICH
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2022

f) Fixed assets - Great Hospital buildings

Buildings and improvements to buildings are shown at cost and depreciated over the estimated useful life of the asset, as follows:

Improvements to buildings - 50 years (2% straight line) - other than for additions below:
Housing Association properties - 50 years (2% straight line)
Assets in the course of construction are not depreciated

The Trustees have considered the application of component accounting and have depreciated improvements to building additions on the following basis:

Main fabric - 100 years
Roof - 75 years
Mechanical installations - 50 years
Electrical installations - 30 - 40 years
Windows and Doors - 30 years
Kitchen Installation - 15 years
Lift Installation - 20 years
Shower installation - 15 years
Fittings and furnishings - 15 years

g) Fixed assets - investment properties

A triennial valuation of investment properties at open market value is provided by Brown & Co - Property and Business Consultants LLP. In the intervening periods, investment property valuations are updated based on professional advice provided to the Trustees by Brown & Co - Property and Business Consultants LLP. The review conducted by the Great Hospital's advisors on behalf of the Trustees for the purpose of the interim valuation does not give rise to a formal valuation.

h) Heritage assets - Historical Bishopgate property

The Great Hospital maintains a collection of historic buildings at Bishopgate, Norwich, including the medieval church and cloisters. These have been acquired since the Charity was founded in 1249, and have no historic cost.

The Trustees feel that owing to the incomparable nature of the buildings, conventional valuation lacks sufficient reliability and that, even if valuations could be obtained, the costs would be onerous compared with the additional benefits derived by the Charity and users of the accounts. As a result, no value is reported for these assets in the Charity's accounts.

The cost of associated major maintenance and refurbishment is reported in the Statement of Financial Activity in the year it is incurred.

Further information is given in Note 14c to the accounts.

i) Fixed assets - Other assets

Other assets are depreciated over a period of 3-10 years on a straight-line basis.

j) Investments - Other investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activity includes the net gains and losses arising on revaluation and disposals throughout the year.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities within particular sectors or sub sectors.

Programme related investments are carried at the amount invested less any impairments.

GREAT HOSPITAL, NORWICH
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2022

k) Social Housing Grants

Social Housing Grants (SHG) are made by the Housing Association and are utilised to reduce the amount of mortgage loan in respect of an approved scheme to the amount which it is estimated can be serviced by the net annual income of the scheme. The amount of SHG is calculated on the qualifying costs of the scheme in accordance with instructions issued from time to time by the Regulator of Social Housing.

Where developments have been financed wholly or partly by SHG, the SHG is recognised in Income when the charity has entitlement to it.

SHG are repayable under certain circumstances, primarily following the sale of a property. Provision for repayment is made in the balance sheet when properties, which have SHG funding, are sold.

l) Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Restricted funds are those funds that can only be used for particular restricted purposes. Restrictions arise when specified by the donor or when funds are raised for particular restrictive purposes.

Following an application to the Charity Commission the Great Hospital moved to a total return approach to accounting for investments from 1 April 2013.

m) Pension scheme

The Great Hospital operates defined contribution pension schemes for members of staff of the Charity. The pension costs charged to the Statement of Financial Activity represents the employer's contributions payable under the rules of the schemes.

n) Stock

Stocks are carried at the lower of cost and net realisable value.

o) Going concern

The charity has generated sufficient financial resources from its activities to allow the Trustees to believe that the charity is well placed to manage its operational risks successfully in the current economic climate. Accordingly, the Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

q) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Short term creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due. Other financial liabilities are measured at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

r) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Other receivables are measured initially at fair value, net of transaction costs, and are measured subsequently as amortised cost using the effective interest method, less any impairment. If settlement of debt is deferred, the consideration is discounted at an appropriate interest reflecting the financing transaction involved.

GREAT HOSPITAL, NORWICH
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2022

2. Income from Donations and Legacies

	Regulated Social Housing Activities	Unregulated Activities	Total 2022	Total 2021
	£	£	£	£
Donations	-	2,329	2,329	401
NCC – Covid grant funding	-	104,447	104,447	57,653
	-	106,776	106,776	58,054

During the year a Local Authority Discretionary grant of £104,447 (2021: £57,653) was received from Norfolk County Council as part of the Government's response to the Covid-19 global pandemic.

No other forms of government assistance have been received in the year and there are no unfulfilled conditions and other contingencies attached to the grants included above.

3. Social Housing Income and Expenditure

Accommodation charge	907,328	-	907,328	879,680
Service charges (see below)	409,970	-	409,970	422,294
Contribution from Residents	1,317,298	-	1,317,298	1,301,974
Social housing operating costs	(2,443,660)	-	(2,443,660)	(2,261,563)
Operating deficit	(1,126,362)	-	(1,126,362)	(959,589)
Void losses	(47,821)	-	(47,821)	(47,821)
Service Charges				
Gas and Electricity	130,499	-	130,499	136,682
Care service	122,895	-	122,895	133,809
Catering	105,556	-	105,556	100,378
Cleaning	51,020	-	51,020	51,425
	409,970	-	409,970	422,294

GREAT HOSPITAL, NORWICH
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2022

	Regulated Social Housing Activities £	Unregulated Activities £	Total 2022 £	Total 2021 £
4. Property Income				
Investment properties	-	287,039	287,039	240,613
Expenses				
Agent's commission	-	(13,069)	(13,069)	(13,031)
Professional fees	-	(13,978)	(13,978)	(45,783)
Repairs etc	-	(44,223)	(44,223)	(1,109)
Net income from investment properties	-	215,768	215,768	180,690
5. Cost of managing investments				
Property agent's commission	-	13,069	13,069	13,031
Professional fees	-	13,978	13,978	45,783
Repairs etc	-	44,223	44,223	1,109
Investment managers fees	-	72,569	72,569	63,335
Irrecoverable VAT	-	11,719	11,719	10,560
	-	155,558	155,558	133,818
6. Services				
Staff costs	884,398	-	884,398	858,796
Food	91,507	-	91,507	95,240
Energy	133,251	-	133,251	115,276
Laundry and cleaning	24,799	-	24,799	25,597
Water and council tax	23,433	-	23,433	23,689
Amenities	5,668	-	5,668	3,313
Care consumables	3,461	-	3,461	17,403
Irrecoverable VAT	97,911	-	97,911	74,849
	1,264,428	-	1,264,428	1,214,163
7. Management				
Administration	143,283	-	143,283	119,800
Staff costs	305,433	22,583	328,016	292,000
Insurance	52,377	29,154	81,531	67,772
	501,093	51,737	552,830	479,572

GREAT HOSPITAL, NORWICH
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2022

	Regulated Social Housing Activities £	Unregulated Activities £	Total 2022 £	Total 2021 £
8. Maintenance				
Building maintenance	398,417	-	398,417	340,068
9. Depreciation				
Housing Association scheme properties	25,415	-	25,415	25,415
Equipment	34,072	-	34,072	29,531
Improvements to Great Hospital buildings	220,235	-	220,235	221,557
	<u>279,722</u>	<u>-</u>	<u>279,722</u>	<u>276,503</u>
10. Interest and Investment Income receivable				
Securities income	-	413,780	413,780	408,163
Deposit interest receivable	-	7	7	-
Other finance income	-	-	-	-
	<u>-</u>	<u>413,787</u>	<u>413,787</u>	<u>408,163</u>
11. Other income				
Sundry income	-	2,658	2,658	1,967
Booklet sales	-	103	103	50
	<u>-</u>	<u>2,761</u>	<u>2,761</u>	<u>2,017</u>
12. Taxation				
The Great Hospital is a registered Charity within the meaning of the Taxes Act and is, therefore, eligible to claim certain exemptions to income tax and capital gains tax. As a consequence no charge to taxation arises for the year.				
13. Surplus after interest		2022	2021	
		£	£	
The net income before gains and losses is stated after charging / (crediting):				
Interest payable		13,657	13,656	
Depreciation		279,722	276,503	
Auditors remuneration – audit		13,935	13,500	
Auditors remuneration – non audit services		1,500	1,682	

GREAT HOSPITAL, NORWICH
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2022

14a. Fixed Assets - Group

	Housing Assoc. Scheme Properties £	Building Improvements £	Equipment £	Property in the course of construction £	Total £
Cost					
At 1 April 2021	1,270,755	9,489,232	636,530	187,993	11,584,510
Additions	-	-	217,867	-	217,867
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2022	1,270,755	9,489,232	854,397	187,993	11,802,377
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 April 2021	533,717	2,025,639	337,724	-	2,897,080
Charge for the year	25,415	220,235	34,072	-	279,722
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2022	559,132	2,245,874	371,796	-	3,176,802
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 March 2022	711,623	7,243,358	482,601	187,993	8,625,575
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2021	737,038	7,463,593	298,806	187,993	8,687,430
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The ancient Great Hospital buildings at Bishopgate, Norwich have not been valued (note 14c) and have an historical cost of £nil, with the cost of improvements to date shown above.

A construction project commenced in previous financial years, this project is reflected as an asset in the course of construction.

GREAT HOSPITAL, NORWICH
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2022

14b. Fixed Assets – Parent Charity

	Housing Assoc. Scheme Properties £	Building Improvements £	Equipment £	Property In the course of construction £	Total £
Cost					
At 1 April 2021	1,270,755	9,489,232	636,530	7,343	11,403,860
Additions	-	-	217,867	-	217,867
At 31 March 2022	1,270,755	9,489,232	854,397	7,343	11,621,727
Depreciation					
At 1 April 2021	533,717	2,025,639	337,724	-	2,897,080
Charge for the year	25,415	220,235	34,072	-	277,722
At 31 March 2022	559,132	2,245,874	371,796	-	3,176,802
Net book value					
At 31 March 2022	711,623	7,243,358	482,601	7,343	8,444,925
At 31 March 2021	737,038	7,463,593	298,806	7,343	8,506,780

The ancient Great Hospital buildings at Bishopgate, Norwich have not been valued (note 14c) and have an historical cost of £nil, with the cost of improvements to date shown above.

A construction project commenced in previous financial years, this project is reflected as an asset in the course of construction.

GREAT HOSPITAL, NORWICH
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2022

14c. Heritage assets not recognised in the balance sheet

The Great Hospital maintains a collection of historic buildings at Bishopgate, Norwich, including the medieval church and cloisters. These have been acquired since the Charity was founded in 1249, and have no historic cost.

There have been no acquisitions or disposals of heritage assets.

The Charity is committed to maintaining these unique and important buildings, and continues to fund a significant programme of maintenance and refurbishment.

15. Investment properties - Group and Charity

	2022	2021
	£	£
Valuation		
1 April 2021	5,850,561	5,645,286
Disposals	(635,333)	-
Additions	-	-
Realised gain on disposal	592,047	-
Gain / (loss) on revaluation	331,249	205,275
	<hr/>	<hr/>
31 March 2022	6,138,524	5,850,561
	<hr/>	<hr/>
Classification of properties		
Residential Estate	645,000	583,751
Commercial holdings	4,830,000	4,625,000
Agricultural holdings	663,524	641,810
	<hr/>	<hr/>
	6,138,524	5,850,561
	<hr/>	<hr/>

A formal valuation of investment properties was carried out at 31 March 2022 by Brown & Co Property and Business Consultants LLP, a firm of independent chartered surveyors, on behalf of the Trustees in accordance with the accounting policy set out in note 1g. A formal valuation of investment properties is carried out every three years.

GREAT HOSPITAL, NORWICH
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2022

16. Investments

	2022 Cost £	2022 Market value £	2021 Cost £	2021 Market value £
Government stock	281,197	272,243	287,197	287,422
Ordinary shares	11,253,162	16,252,308	11,713,559	16,083,012
Fixed interest	2,648,828	2,755,198	2,889,941	3,060,228
	<hr/>	<hr/>	<hr/>	<hr/>
Total	14,183,187	19,279,749	14,890,697	19,430,662
	<hr/>	<hr/>	<hr/>	<hr/>
Un-quoted investments				
Shares in TGH (Commercial) Ltd	1	1	1	1
	<hr/>	<hr/>	<hr/>	<hr/>
Grand total - Charity	14,183,188	19,279,750	14,890,698	19,430,663
	<hr/>	<hr/>	<hr/>	<hr/>

TGH (Commercial) Limited is a 100% subsidiary and a property construction company that has expanded its activities to include the provision of hospitality. TGH (Commercial) Limited has been engaged by the Great Hospital to design and build new accommodation for residents. The results of the subsidiary company to 31 March 2022 are set out in note 30.

	2022 £	2021 £
Movements in quoted investments		
Market value 1 April 2021	19,430,662	16,314,856
Additions	2,388,077	2,972,909
Disposals	(3,490,021)	(2,922,814)
Net investment gains / (losses)	951,071	3,065,711
	<hr/>	<hr/>
Market value 31 March 2022	19,279,749	19,430,662
	<hr/>	<hr/>

All investments are included within the accounts at their current market value, in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)

Net investment gains / (losses) comprise realised gains of £149,524 (2021: £64,570) and unrealised gains of £801,547 (2021: £3,001,141).

Since the year end, the valuation of the Charity's listed portfolio has fallen by circa 4% due to the current fluctuations in the economic climate and inflation. The Trustees do not consider this fall in value to be permanent and as such no provision has been made for this reduction in value in the financial statements at 31 March 2022.

GREAT HOSPITAL, NORWICH
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2022

17. Programme related investment

	Charity 2022 £	2021 £
Loan to TGH (Commercial) Limited		
Balance at 1 April 2021	173,000	145,000
Additional loan	6,000	28,000
	<hr/>	<hr/>
Balance as at 31 March 2022	179,000	173,000
	<hr/>	<hr/>

A loan has been made to TGH (Commercial) Limited, the Charity's subsidiary. TGH (Commercial) Limited has been engaged by the Charity to design and build new accommodation for its residents.

18. Stock

	Group 2022 £	2021 £	Charity 2022 £	2021 £
Food and beverages	6,238	5,112	6,238	5,112
Booklets	1,006	1,537	1,006	1,537
	<hr/>	<hr/>	<hr/>	<hr/>
	7,244	6,649	7,244	6,649
	<hr/>	<hr/>	<hr/>	<hr/>

19. Debtors

	Group 2022 £	2021 £	Charity 2022 £	2021 £
Prepayments and accrued income	118,058	5,543	118,058	17,805
Other debtors	106,373	172,879	108,878	172,879
Residents' contributions receivable	12,063	1,550	20,430	1,550
Donation from TGH (Commercial) Ltd	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	239,494	179,972	247,366	188,234
	<hr/>	<hr/>	<hr/>	<hr/>

20. Creditors: amounts falling due within one year

	Group 2022 £	2021 £	Charity 2022 £	2021 £
Trade creditors	216,041	124,859	216,041	124,283
Taxation and social security	29,678	17,195	29,678	17,195
Accruals and deferred income	135,862	78,583	131,337	74,431
	<hr/>	<hr/>	<hr/>	<hr/>
	381,581	220,637	377,056	215,909
	<hr/>	<hr/>	<hr/>	<hr/>

GREAT HOSPITAL, NORWICH

NOTES TO THE ACCOUNTS (CONTINUED) YEAR ENDED 31 MARCH 2022

21. Creditors: amounts falling due after more than one year - Group and Charity

	2022 £	2021 £
Housing Association schemes (see below)	92,106	92,875
	<u>92,106</u>	<u>92,875</u>
Housing Association Schemes		
	Prior Court £	Youngs Green £
Balances at beginning of year	45,708	47,167
Less capital due within one year	(383)	(387)
	<u>45,325</u>	<u>46,780</u>
Balances at end of year	45,325	46,780
Balance included above repayable by instalments in more than five years	41,102	44,189
	<u>41,102</u>	<u>44,189</u>
Rate of interest payable	15%	14%

All the schemes have been completed. The loan relating to Prior Court is repayable over 60 years from 1 February 1980. The loan relating to Youngs Green is repayable over 60 years from 1 January 1983. Interest payable on the loans during the year ended 31 March 2022 amounted to £13,608 (2021: £13,656).

GREAT HOSPITAL, NORWICH
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2022

22. Financial Instruments

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Financial assets at fair value through statement of financial activities				
Investments	19,279,749	19,430,662	19,279,750	19,430,663
	<u>19,279,749</u>	<u>19,430,662</u>	<u>19,279,750</u>	<u>19,430,663</u>
Financial assets measured at amortised cost				
Trade debtors	17,355	1,550	20,430	1,550
Other debtors	-	-	-	-
Amounts owed by group undertakings	-	-	-	-
	<u>17,355</u>	<u>1,550</u>	<u>20,430</u>	<u>1,550</u>
Financial liabilities measured at amortised cost				
Trade creditors	216,041	124,859	216,041	124,283
Accruals	96,017	46,273	94,567	44,923
Loans – Amounts due within one year	770	769	770	770
Loans – Amounts due after one year	92,106	92,875	92,106	92,875
	<u>404,934</u>	<u>264,776</u>	<u>403,484</u>	<u>262,851</u>

GREAT HOSPITAL, NORWICH
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2022

23. Movement In Permanent Endowment – Total Return Approach

	Investment Fund £	Unapplied Total Return £	Total Permanent Endowment £
At beginning of the reporting period:			
Gift component of the permanent endowment	5,091,310	-	5,091,310
Unapplied total return	-	20,061,888	20,061,888
	<hr/>	<hr/>	<hr/>
Total	5,091,310	20,061,888	25,153,198
	<hr/>	<hr/>	<hr/>
Movements in the reporting period:			
Investment return: Income, dividends and interest	-	700,826	700,826
Investment return: realised and unrealised gains	-	1,874,367	1,874,367
Less: Investment management costs	-	(155,558)	(155,558)
	<hr/>	<hr/>	<hr/>
Net unapplied total return	-	2,419,635	2,419,635
Unapplied total return allocated to income in the reporting period	-	(1,050,000)	(1,050,000)
	<hr/>	<hr/>	<hr/>
Net movement in the reporting period	-	1,369,635	1,369,635
	<hr/>	<hr/>	<hr/>
At end of the reporting period:			
Gift component of the permanent endowment	5,091,310	-	5,091,310
Unapplied total return	-	21,431,523	21,431,523
	<hr/>	<hr/>	<hr/>
Total	5,091,310	21,431,523	26,522,833
	<hr/>	<hr/>	<hr/>

The Great Hospital has adopted a total return approach to investments pursuant to an order of the Charity Commission for England and Wales under section 105 of the Charities Act 2011 dated 14 March 2011.

The Great Hospital has benefited from returns on investments since its foundation in 1249. By agreement with the Charity Commission, the Initial Investment Fund was set based on total assets held at January 1983 when a Scheme of the Charity Commissioners for the Great Hospital was established. This sum was increased to account for inflation between 1983 and the commencement of the Total Return Approach in April 2013.

GREAT HOSPITAL, NORWICH
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2022

24. Summary of fund movements:

	Total £	Income Fund £	Restricted Fund £	Endowment Fund £
Charity Funds as at 1 April 2021	34,657,040	9,007,827	496,015	25,153,198
Income	2,147,386	1,446,560	-	700,826
Expenditure	(2,647,086)	(2,474,424)	(17,104)	(155,558)
Transfers between funds	-	1,050,000	-	(1,050,000)
Gains and losses on investments	1,874,367	-	-	1,874,367
Charity Funds as at 31 March 2022	<u>36,031,707</u>	<u>9,029,963</u>	<u>478,911</u>	<u>26,522,833</u>

The restricted fund represents Social Housing grants applied to Housing Association Scheme property developments. The fund is reduced by a proportion of the associated properties annual depreciation charge.

The 2021 fund movements are disclosed in note 31.

25. Staff costs

The average number of employees expressed as a headcount during the year to 31 March 2022 was 53. The corresponding number of employees for the year to 31 March 2021 was 53.

Total staff costs during the year were:

	2022 £	2021 £
Remuneration	1,077,214	970,058
Social security costs	80,528	77,292
Pension cost	41,502	41,289
	<u>1,199,244</u>	<u>1,088,640</u>

Emoluments (including employers National Insurance) paid to members of the senior management team totalled £360,261 (2021: £355,915).

During the year no individual received remuneration over £60,000 (2021: 1 individual - £112,317). This reduction reflects a change in the Master during the year.

No other staff member has emoluments exceeding £60,000 during the year (2021: One).

No redundancy payments were made during the period (2021: £nil).

The Charity operates a group personal pension plan for members of staff. The pension charge represents contribution premiums payable by The Great Hospital to this plan under the rules of the scheme.

GREAT HOSPITAL, NORWICH
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2022

26. Trustees remuneration and expenses

No Trustees received any remuneration (2021: £ nil).

No Trustees were reimbursed for expenses (2021: £nil).

27. Residents contributions for accommodation

The Great Hospital provides almshouse accommodation and does not grant tenancies of dwellings occupied for the purpose of the Charity. At 31 March 2022 there were 98 (2021: 98) units available for residents under the 'Housing for older people' scheme.

28. Summary of net assets by fund

	Total 2022 £	Income Fund 2022 £	Restricted Fund 2022 £	Endowment Fund 2022 £
Investments (at Market Value)	19,279,749	-	-	19,279,749
Cash	2,207,924	1,178,855	-	1,029,069
Stock	7,244	7,244	-	-
Debtors	239,494	164,003	-	75,491
Creditors	(381,581)	(381,581)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Free reserves	21,352,830	968,521	-	20,384,309
	<hr/>	<hr/>	<hr/>	<hr/>
Housing Association loans	(92,106)	(92,106)	-	-
Investment property	6,138,524	-	-	6,138,524
Property in the course of construction	187,993	187,993	-	-
Housing Association	711,623	232,712	478,911	-
Scheme property				
Equipment	482,601	482,601	-	-
Building improvements	7,243,358	7,243,358	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	36,024,823	9,024,529	478,911	26,522,833
	<hr/>	<hr/>	<hr/>	<hr/>
Investment Fund				5,091,310
Unapplied Total Return				21,431,523
				<hr/>
Total Endowment Fund				26,522,833
				<hr/>

GREAT HOSPITAL, NORWICH
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2022

28. Summary of net assets by fund (continued)

	Total 2021 £	Income Fund 2021 £	Restricted Fund 2021 £	Endowment Fund 2021 £
Investments (at Market Value)	19,430,663	-	-	19,430,663
Cash	812,263	812,263	-	-
Stock	6,649	6,649	-	-
Debtors	179,972	307,999	-	(128,027)
Creditors	(220,637)	(220,637)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Free reserves	20,208,910	906,274	-	19,302,636
	<hr/>	<hr/>	<hr/>	<hr/>
Housing Association loans	(92,876)	(92,876)	-	-
Investment property	5,850,561	-	-	5,850,561
Property in the course of construction	187,993	187,993	-	-
Housing Association Scheme property	737,038	241,023	496,015	-
Equipment	298,806	298,806	-	-
Building improvements	7,463,593	7,463,593	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	34,654,025	9,004,813	496,015	25,153,197
	<hr/>	<hr/>	<hr/>	<hr/>
Investment Fund				5,091,310
Unapplied Total Return				20,061,887
				<hr/>
Total Endowment Fund				25,153,197
				<hr/>

GREAT HOSPITAL, NORWICH
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2022

30. Subsidiary company results

The Charity has a wholly owned subsidiary company, TGH (Commercial) Limited.

The subsidiary company is a property construction and hospitality company and has been engaged by the Great Hospital to design and build new accommodation for residents.

The subsidiary is not registered with the social housing regulator. The results of the subsidiary company to 31 March 2022 are set out below.

	2022	2021
	£	£
Turnover	-	-
Cost of sales and administration	(3,869)	(3,016)
Charitable donation	-	-
	<hr/>	<hr/>
Net profit/(loss)	(3,869)	(3,016)
	<hr/>	<hr/>

The aggregate of assets liabilities and reserves was:

	2022	2021
	£	£
Current assets	185,008	182,976
Current liabilities	(191,892)	(185,991)
	<hr/>	<hr/>
	(6,884)	(3,015)
	<hr/>	<hr/>

At the 31 March 2022 the charity had made a programme related investment of £179,000 (2021: £173,000) in the subsidiary. Details of this are set out in note 17.

31. Related Party Transactions

The Great Hospital charged its subsidiary, TGH (Commercial) Limited, £Nil for management charges (2021: £nil).

TGH (Commercial) Limited is committed to pay its taxable profits to the Great Hospital by way of covenanted gift aid. At 31 March 2022 £Nil (2021: £nil) was due to the Great Hospital from TGH (Commercial) Limited.

Organisations connected to the Charity occasionally hire the halls with all transactions being carried out on the same terms as they are offered to the general public.

GREAT HOSPITAL, NORWICH

NOTES TO THE ACCOUNTS (CONTINUED) YEAR ENDED 31 MARCH 2022

31. Statement of Financial Activities 31 March 2021

	Income Fund £	Restricted Fund £	Endowment Fund £	2021 Total £
Income and endowments from:				
<i>Donations and legacies</i>	58,054	-	-	58,054
<i>Income from charitable activities:</i>				
Net contributions from residents	1,301,974	-	-	1,301,974
<i>Other trading activities</i>				
Functions	-	-	-	-
Shop income	135	-	-	135
<i>Investments</i>				
Property Income	-	-	240,613	240,613
Interest and investment income receivable	-	-	408,163	408,163
<i>Other income</i>	2,017	-	-	2,017
Total Income and endowments	1,362,180	-	648,776	2,010,956
Expenditure on:				
<i>Cost of raising funds</i>				
Investment management costs	-	-	133,818	133,818
<i>Expenditure on charitable activities:</i>				
Services	1,214,163	-	-	1,214,163
Management	479,572	-	-	479,572
Maintenance	340,068	-	-	340,068
Depreciation	259,398	17,104	-	276,502
<i>Expenditure on other trading activities:</i>				
Functions expenditure	8	-	-	8
<i>Other expenditure</i>	2,453	-	-	2,453
Total expenditure	2,295,662	17,104	133,818	2,446,584
Net Income / (expenditure) before gains and losses on investments	(933,482)	(17,104)	514,958	(435,628)
Net gains / (losses) on investments	-	-	3,270,987	3,270,987
Net income / (expenditure)	(933,482)	(17,104)	3,785,945	2,835,359
Transfers between funds	900,000	-	(900,000)	-
Net movement in funds	(33,482)	(17,104)	2,885,945	2,835,359
Reconciliation of funds				
Total funds brought forward	9,038,294	513,119	22,267,253	31,818,666
Total funds carried forward	9,004,812	496,015	25,153,198	34,654,025