

**NORFOLK HISTORIC
BUILDINGS TRUST (LIMITED
BY GUARANTEE)**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2006



NORFOLK HISTORIC BUILDINGS TRUST (LIMITED BY GUARANTEE)

FINANCIAL STATEMENTS

For the year ended 31 March 2006

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NORFOLK HISTORIC BUILDINGS TRUST (LIMITED BY GUARANTEE)

REPORT OF THE DIRECTORS

The directors, who are also the charitable company's trustees for charity law purposes, present their report and audited financial statements for the year ended 31 March 2006.

Reference and Administrative information:

Charitable company name: Norfolk Historic Buildings Trust
Charity registration number: 273702
Company registration number: 1295328
Registered office: 9 The Old Church
St Matthew's Road
Norwich
Norfolk
NR1 1SP

Directors/trustees:

Mr J O C Birkbeck (Chairman)
Mrs I E Floering Blackman
Mrs H A Bolt
Mr D Mawson, OBE
Mr N de Bazille Corbin, MBE
Mr J W Knight
Mr J Sansby
Mr A G Don (resigned 1 October 2005)
Mr J Timpson (deceased 1 June 2006)

Secretary:

Mr C K Smith

Treasurer:

Mr T M Ball, FCA

Auditors:

Grant Thornton UK LLP
Registered Auditors
Chartered Accountants
Holland Court
The Close
Norwich
Norfolk
NR1 4DY

Bankers:

Lloyds TSB Bank Plc
Gentleman's Walk
Norwich

Solicitors:

Mills and Reeve
1 St James Court
Whitefriars
Norwich

NORFOLK HISTORIC BUILDINGS TRUST (LIMITED BY GUARANTEE)

REPORT OF THE DIRECTORS

Structure, governance and management

Governing document

The organisation is a charitable company limited by guarantee, incorporated on 24 January 1977 by Memorandum and Articles of Association. An amendment to article 6(2) of the articles of association was made by a special resolution passed at an extraordinary general meeting of the trust held on 22 February 1990. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

The members during the year to 31 March 2006 were as follows:

Mr T M Ball, FCA	(Treasurer)
Mr J O C Birkbeck	(Chairman)
Mrs H A Bolt	
Mr D Mawson, OBE	
Mr C K Smith	
Mr J Timpson	(deceased 1 June 2006)
Dr P Ashbee	
Mr J V Berney	
Mr A W Bownsea	(resigned 21 October 2005)
Mr J H R Carver	
Mr N de Bazille Corbin, MBE	
A G Don	(resigned 1 October 2005)
Mrs I E Floering Blackman	
Mr G B Hemmings	
Mrs J Johnston	
Mr M Walton	
Mr T East	
Mr W Davidson	(resigned 21 October 2005)
Mr C Armes	
Mr J W Knight	
Mr R A Harris	
Mr C A B Lloyd Owen	
Mr J Sansby	
Mr J Seymour	
Dr I Sheppard	
Mr B Cawkwell	

Recruitment and appointment of the directors (the Management Committee)

The directors of the company are also charity trustees for the purpose of charity law and under the company's articles of association are the managers of the trust's affairs. Under the requirements of the memorandum and articles of association at the annual general meeting one third of the directors retire from office. Those retiring shall be those longest in office since their election. A retiring director is eligible for re-election. Any vacancy for a director can be filled at the annual general meeting or a casual vacancy can be filled by the directors.

The directors of the company are elected by members of the company who are in turn nominated by the Norfolk County Council and the CPRE Norfolk (formerly known as the Norfolk Society).

There are normally nine directors although there are currently two vacancies.

Having regard to the aims and objectives of the company and to the experience of the members the directors bring a great deal of varied knowledge applicable to these objectives and include a retired solicitor, architect and accountant together with senior management in a public company and other directors with varied experience.

Mr D Mawson and Mr J W Knight retire by rotation in accordance with article 49 of the charitable company's articles of association and are eligible to offer themselves for re-election.

NORFOLK HISTORIC BUILDINGS TRUST (LIMITED BY GUARANTEE)

REPORT OF THE DIRECTORS

Trustee induction and training

The majority of the trustees are already familiar with the practical work of the trust as they are long standing. The only relative new appointment is Mr Sansby who was appointed in March 2005. However Mr Sansby brings with him long experience in senior management of a large public company.

Risk management

The management committee is in the course of conducting a review of the major risks to which the charity is exposed. A risk register will be established and will be updated at least annually. Where appropriate, systems or procedures will be established to mitigate the risks the charity faces. Apart from the limited risks to the public associated with certain retained properties which are open to the public, the main identified risk is a financial one. This is likely to arise from a funding arrangement set up by the company when undertaking restoration and repair of buildings in which they have an interest. However, to address this risk, the company does not commit itself to any such work until sufficient guaranteed funds by way of grants or adequate company's own financial resources are available.

Organisational structure

The directors of the trust form its management committee and meet as and when decisions are required concerning policy issues or the acquisition and restoration of properties together with expenditure on all but those of a routine administrative nature or those schemes previously approved. During the current year to 31 March 2006 the management committee have met on three occasions.

As mentioned previously the majority of the directors are of long standing and have a background of various skills and include a retired solicitor and an architect together with others with similar experience.

The trust employs a part-time secretary, and has the benefit of the advice of Mr Michael Knights, the Norfolk County Council's Heritage and Landscape Manager, who is the trusts technical advisor. The trust also has a qualified accountant with his own practice as its treasurer. The trust's solicitor is usually in attendance. None of these advisors have any voting rights at board meetings.

Related parties

The company has no significant related parties other than the director trustees and the members.

Objectives and activities

The company's objects and principal activity is the preservation, for the benefit of the peoples of Norfolk and of the nation at large, of whatever of the historical, architectural or constructional heritage may exist in and around the County of Norfolk.

Whilst the company operates wherever possible a rolling programme of financing, purchasing and repairing suitable buildings and then selling on restored buildings and using the accrued money for the next scheme, due to the state of the property market and to the number of important buildings which have limited or no resale value this is not always possible. As a result the company has a number of buildings which it retains. Some of these are open to the public in some cases they are operated by an 'arms length company' or by sub-tenants.

Achievements and performance

During the 28 years since its formation the company has completed 17 major schemes of restoration including a Grade I Listed monument of national importance, a 14th Century Hall House and completed the restoration of Denver Mill as a fully operating windmill.

Normally the company likes to restore a building each year but, with specialised repair of nationally important buildings with no particular resale value, the company is dependent on grants from funding bodies such as the Heritage Lottery Fund, English Heritage, European Regional Objective 2 and other sources and the procedures involved are lengthy and time consuming. However the company is currently investigating further projects.

NORFOLK HISTORIC BUILDINGS TRUST (LIMITED BY GUARANTEE)

REPORT OF THE DIRECTORS

Review of the year:

Waxham Barns

Following the completion of the restoration work of Waxham Great Barn the trust has sought to find ways of developing the scope of the activities of the barns to generate further interest and provide adequate income from them to cover the cost of maintaining the buildings. In this regard the trust has reached an agreement with a sub-tenant to lease the café and to operate the barns as a visitors attraction and venue for other activities. This is currently developing.

Nelson's Monument

The restoration of Nelson's Monument in Great Yarmouth, which is a million pound scheme, was completed by the trust on time and within budget. This scheme was mainly funded by the Heritage Lottery Fund with other contributions from European Regional Objective 2, English Heritage, Wren Environmental, Sir Bernard Matthews, Great Yarmouth Borough Council, Norfolk County Council and the 1805 Club.

The trust has a continuing interest in access, both physical and educational, as part of the restoration scheme. The future maintenance of the monument is the responsibility of the Borough Council.

Oulton Chapel and Manse

Regular inspections of the Chapel and Manse continue and a number of repairs have been undertaken, including the painting of the Chapel and the formation of a disabled access has been constructed at the side door.

The Friends of Oulton Chapel continues to organise open days at the Chapel and it has been used for services, weddings and similar events. Recently a new floor was laid in the coach house and plans are in hand to lay on a water supply and electricity.

The Manse continues to be occupied by Mr and Mrs Lees, who are excellent tenants and who maintain an interest in the Chapel.

The Old Post Office Cottage at Billingford

Arrangements for the sale of the cottage were agreed earlier in the year and completion of the sale of the buildings for £180,000, subsequent to the year end, has recently been completed.

Future schemes

A number of suitable properties are currently being investigated for future schemes including the Manor House at Northwold and Pentney Priory.

Financial review

Principal funding sources

As referred to above with major schemes such as Nelson's Monument in Great Yarmouth, which is a million pound project, the major funding source was the National Heritage Lottery Fund with contributions from other smaller funding bodies and other sources. The company is fortunate that it normally receives financial help and technical assistance from the Norfolk County Council. Additionally the retained properties open to the public or those which are leased such as Denver Mill, Waxham Barns and the Manse at Oulton generate an income. Additionally the value of the retained building portfolio allows the company to raise working capital from the Architectural Heritage Fund at advantageous terms or from our bankers.

Reserves policy

The management committee reviews the company's reserves on a regular basis and prior to the commencement of any scheme they ensure that the likely costs will be covered by grants and other donations or the resale value of the completed scheme. In the case of those important buildings where there is likely to be little or no resale value, the committee seeks to ensure that the larger part of the cost is covered by grants, with sufficient balances held by the trust to cover any shortfall.

There is also a need to ensure that sufficient funds are held to cover the maintenance and repair of the trust's retained properties together with sufficient funds to cover the company's other likely expenditure for a period of one year, £60,000 to £80,000.

NORFOLK HISTORIC BUILDINGS TRUST (LIMITED BY GUARANTEE)

REPORT OF THE DIRECTORS

As can be seen from the financial statements, the company's free reserves have diminished in recent years and this has necessitated the sale of a property post year end.

Results for the year

Activity during the year has resulted in a net outflow of funds of £26,723.

Plans for future periods

It is the aim of the management committee to have at least one scheme of restoration proceeding at any time however, due to the nature of the property market this is not always possible. Additionally there is normally a long lead in period on any scheme due to the time required to put together restoration plans and a viable financial package of grants and other donations.

Statement of trustees/directors' responsibilities

The trustees (who are also the directors of Norfolk Historic Buildings Trust (Limited by guarantee) for the purposes of company law) are responsible for preparing the Report of the directors and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources of the charitable company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 charitable company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of Grant Thornton UK LLP as auditors of the charitable company is to be proposed at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part VII of the Companies Act relating to small companies.

BY ORDER OF THE BOARD



C K Smith
Secretary

15/11/06

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NORFOLK HISTORIC BUILDINGS TRUST (LIMITED BY GUARANTEE)

We have audited the financial statements of Norfolk Historic Buildings Trust (Limited by guarantee) for the year ended 31 March 2006 which comprise the principal accounting policies, statement of financial activities, income and expenditure account, balance sheet and notes 1 to 17. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The responsibilities of the trustees (who are also the directors of Norfolk Historic Buildings Trust (Limited by guarantee) for the purposes of company law) for preparing the Report of the directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, whether they are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Report of the directors is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 March 2006 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the directors is consistent with the financial statements for the year ended 31 March 2006.

Grant Thornton UK LLP

**GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

NORWICH

15.11.06

NORFOLK HISTORIC BUILDINGS TRUST (LIMITED BY GUARANTEE)

PRINCIPAL ACCOUNTING POLICIES

For the year ended 31 March 2006

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charitable company's financial statements.

BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards (UK GAAP) under the historic cost accounting rules, modified to include the revaluation of tangible fixed assets, and in accordance with the Companies Act 1985 and the Statement of Recommended Practice: Accounting and Reporting by charities, Issued March 2005 (SORP 2005). Comparative figures have been reallocated on the basis of SORP 2005 where necessary.

The financial statements have been prepared on the going concern basis, notwithstanding the excess of net current liabilities which have been eliminated subsequent to the year end following the sale of property.

GRANTS

Grants are accounted for on an accruals basis and recognised when the amount receivable has been confirmed before the year end. General grants receivable are credited to the income and expenditure account, and specific grants are credited to the cost of the relevant properties either as an exceptional item in the income and expenditure account for those held permanently, or against work in progress for those assets held for resale.

BUILDING AND REPAIR COSTS

Building and repair costs are brought to account on the basis of certificates covering the period up to the balance sheet date.

PROPERTIES

All properties (including those within work in progress) are, by definition of the charitable companies objects, Heritage assets.

Properties to be held permanently are treated as fixed assets worth a nominal value of £100 each, which reflects a variety of attached long term encumbrances, except where a professional valuation indicates a value significantly in excess of this amount. All such properties are considered to be investment properties and, accordingly, no depreciation is charged on the revalued amount. The excess of revalued amount over cost is transferred to a revaluation reserve. All maintenance expenditure incurred and revenue received in respect of these properties is recognised in the income and expenditure account as incurred on an accruals basis.

WORK IN PROGRESS

Work in progress represents the value of work carried out on properties for resale or for development as investment properties, less any grants received.

RESTRICTED FUND

Grants receivable and hence expenditure in respect of specific ongoing projects are treated as restricted funds until such time as the property is either sold or transferred to fixed assets.

CASH FLOW STATEMENT

In accordance with the exemptions available to small companies under Financial Reporting Standard 1 the charitable company has not prepared a cash flow statement.

MAINTENANCE RESERVE

The directors have established a designated maintenance reserve to fund repairs on the charitable company's investment properties. A sum, agreed by the directors, is transferred to this reserve annually against which the actual maintenance costs incurred are offset.

INCOME

The charitable company's income is derived from rents and interest receivable from the company's investments together with general County Council grants receivable.

NORFOLK HISTORIC BUILDINGS TRUST (LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2006

	Note	Unrestricted funds £	Restricted funds £	Total funds 2006 £	Total funds 2005 £
Incoming resources					
Incoming resources from generated funds					
<i>Voluntary income:</i>					
Grants receivable	2	40,000	-	40,000	40,000
Donations	3	175	-	175	20,878
<i>Activities for generating funds:</i>					
Visitor attraction	4	3,210	-	3,210	15,265
<i>Investment income:</i>					
Rents receivable		15,203	-	15,203	17,501
Bank interest receivable		622	-	622	1,542
Incoming resources from charitable activities	2	-	739,895	739,895	280,069
Total incoming resources		59,210	739,895	799,105	375,255
Resources expended					
<i>Costs of generating funds:</i>					
Visitor attraction		11,104	-	11,104	18,509
Investment management costs		39,879	-	39,879	45,631
		50,983	-	50,983	64,140
Charitable activities		20,703	728,306	749,009	410,844
Governance costs		14,247	-	14,247	14,582
Total resources expended	5	85,933	728,306	814,239	489,566
Net outgoing resources before transfers and other recognised gains and losses		(26,723)	11,589	(15,134)	(114,311)
<i>Other recognised gains and losses:</i>					
Working capital adjustment	6	-	(11,589)	(11,589)	97,255
Provisions and write downs against work in progress	8	-	-	-	(10,190)
Net movement in funds before revaluations		(26,723)	-	(26,723)	(27,246)
Unrealised gain on property revaluation	9	-	-	-	75,000
Net movement in funds for the year		(26,723)	-	(26,723)	47,754
Reconciliation of funds					
Balances brought forward at 1 April 2005		1,174,490	-	1,174,490	1,126,736
Balances carried forward at 31 March 2006	14	1,147,767	-	1,147,767	1,174,490

The statement of financial activities includes all gains and losses for the year. All incoming resources and resources expended derive from continuing activities.

The accompanying accounting policies and notes form an integral part of these financial statements.

NORFOLK HISTORIC BUILDINGS TRUST (LIMITED BY GUARANTEE)**INCOME AND EXPENDITURE ACCOUNT**

For the year ended 31 March 2006

	Note	2006 £	2005 £
General grant		40,000	40,000
Donations		175	378
Rents receivable		15,203	17,501
Activities for generating funds		3,210	15,265
Property expenses		(22,895)	(24,679)
Administrative expenses		(24,083)	(24,823)
Professional fees		(10,227)	(14,699)
Costs for generating funds		(11,104)	(18,509)
Deficit of income over expenditure before exceptional items	7	(9,721)	(9,566)
Exceptional items	8	-	(10,190)
Operating deficit		(9,721)	(19,756)
Interest receivable		622	1,542
Interest payable		(17,624)	(9,032)
Deficit of income over expenditure for the financial year	14	(26,723)	(27,246)

Other recognised gains and losses for the year are shown in the Statement of financial activities on page 8.

There is no difference between the surplus of income over expenditure shown above with that determined under the historic cost accounting rules.

All of the above amounts relate to continuing operations.

The accompanying accounting policies and notes form an integral part of these financial statements.

NORFOLK HISTORIC BUILDINGS TRUST (LIMITED BY GUARANTEE)

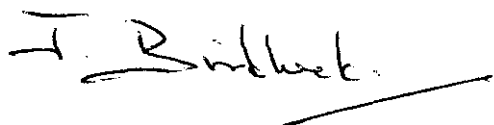
BALANCE SHEET AT 31 MARCH 2006

	Note	2006	2005
		£	£
Fixed assets			
Tangible assets	9	1,189,346	1,189,346
Current assets			
Stock and work in progress	10	129,750	141,745
Debtors	11	14,994	16,578
Cash at bank and in hand		84,706	112,108
		<u>229,450</u>	<u>270,431</u>
Creditors: amounts falling due within one year	12	(271,029)	(96,867)
Net current (liabilities)/assets		<u>(41,579)</u>	<u>173,564</u>
Total assets less current liabilities		<u>1,147,767</u>	<u>1,362,910</u>
Creditors: amounts falling due after more than one year	13	-	(188,420)
Net assets		<u>1,147,767</u>	<u>1,174,490</u>
Funds			
Funds brought forward		1,174,490	1,126,736
Net movement in funds for the financial year		(26,723)	47,754
Funds carried forward - non equity	14	<u>1,147,767</u>	<u>1,174,490</u>

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved by the board of directors on 15 November 2006.

J O C Birkbeck Director



The accompanying accounting policies and notes form an integral part of these financial statements.

NORFOLK HISTORIC BUILDINGS TRUST (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2006

1 COMPANY STATUS

Norfolk Historic Buildings Trust is a charitable company limited by guarantee, not having a share capital. The 22 members of the charitable company at the year end (2005: 32) have guaranteed its liability to the extent of £1 each.

2 GRANTS RECEIVABLE

	Unrestricted funds £	Restricted funds £	Total funds 2006 £	Total funds 2005 £
Local authority grants				
Norfolk County Council	40,000	7,000	47,000	55,442
Other				
English Heritage	-	41,757	41,757	79,598
EEDA	-	-	-	6,488
Lottery Heritage Fund	-	608,030	608,030	158,264
Leader	-	-	-	2,200
TEACH	-	-	-	10,933
Objective 2	-	58,108	58,108	7,144
Wren	-	25,000	25,000	-
	<u>40,000</u>	<u>739,895</u>	<u>779,895</u>	<u>320,069</u>

3 DONATIONS

	Unrestricted funds £	Restricted funds £	Total funds 2006 £	Total funds 2005 £
Bernard Matthews	-	-	-	20,000
The 1805 Society	-	-	-	500
Miscellaneous	175	-	175	378
	<u>175</u>	<u>-</u>	<u>175</u>	<u>20,878</u>

4 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £	Restricted funds £	Total funds 2006 £	Total funds 2005 £
Waxham barn visitor attraction	3,210	-	3,210	15,265
	<u>3,210</u>	<u>-</u>	<u>3,210</u>	<u>15,265</u>

NORFOLK HISTORIC BUILDINGS TRUST (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2006

5 RESOURCES EXPENDED

	Visitor attraction £	Investment management £	Charitable activity £	Governance costs £	Total funds 2006 £	Total funds 2005 £
Costs directly allocated to activities						
Rented property expenses	-	3,855	-	-	3,855	4,348
Operations	11,104	-	-	-	11,104	18,509
Professional fees	-	10,227	25,528	-	35,755	58,132
Contractors fees	-	-	653,562	-	653,562	307,282
Repair and maintenance costs	-	19,040	-	-	19,040	20,331
Other miscellaneous costs	-	-	49,216	-	49,216	47,109
	<u>11,104</u>	<u>33,122</u>	<u>728,306</u>	<u>-</u>	<u>772,532</u>	<u>455,711</u>
Support costs allocated to activities						
Honorary secretary's fee (note 17)	-	-	-	5,015	5,015	5,034
Honorary secretary's expenses	-	-	-	175	175	482
Honorary treasurer's fee (note 17)	-	-	2,535	3,278	5,813	6,720
Other sundry costs:						
Audit fees	-	-	-	3,200	3,200	2,600
Auditors other services	-	-	-	500	500	400
Insurance	-	6,757	-	-	6,757	6,253
Office expenses	-	-	393	2,079	2,472	2,843
Bank charges	-	-	151	-	151	491
Bank interest	-	-	7,701	-	7,701	7,032
Loan interest	-	-	9,923	-	9,923	2,000
	<u>-</u>	<u>6,757</u>	<u>20,703</u>	<u>14,247</u>	<u>41,707</u>	<u>33,855</u>
Total	<u>11,104</u>	<u>39,879</u>	<u>749,009</u>	<u>14,247</u>	<u>814,239</u>	<u>489,566</u>

Support costs have been allocated on an actual basis.

NORFOLK HISTORIC BUILDINGS TRUST (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2006

6 WORKING CAPITAL ADJUSTMENT

The working capital adjustment represents the net increase or decrease in work in progress after deducting disposals during the year, write downs to net realisable value and transfers to fixed assets as follows:

	2006 £	2005 £
Closing work in progress valuation (note 10)	124,954	136,543
Less: Opening work in progress valuation	(136,543)	(49,578)
	(11,589)	86,965
Provision against work in progress in respect of required "own contribution"	-	5,927
Write down of work in progress to net realisable value	-	4,263
Transfer to fixed assets	-	100
	(11,589)	97,255

7 DEFICIT OF INCOME OVER EXPENDITURE BEFORE EXCEPTIONAL ITEMS

Deficit of income over expenditure before exceptional items is stated after charging:

	2006 £	2005 £
Auditors' remuneration	3,200	2,600

During the current and preceding year the charitable company had no employees other than the directors and the honorary secretary. No directors received any remuneration in either year. The payroll costs of the honorary secretary amounted to £5,015 (2005: £5,034) comprising; gross salary £5,000 and employers National Insurance Contributions £15 (2005: £5,000 and £34 respectively).

8 EXCEPTIONAL ITEMS

Exceptional items comprise:

	2006 £	2005 £
Provision against work in progress in respect of required "own contribution"	-	(5,927)
Write down of work in progress to net realisable value	-	(4,263)
	-	(10,190)

NORFOLK HISTORIC BUILDINGS TRUST (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2006

9 TANGIBLE FIXED ASSETS

	Freehold land and buildings valuation	
	2006	2005
	£	£
Cost or valuation at beginning of year	1,189,346	1,114,246
Addition	-	100
Unrealised gain on revaluation	-	75,000
Cost or valuation at end of year*	1,189,346	1,189,346
Historical cost at 31 March 2006	440,745	440,745

* Including items at cost of £1,846 (2005: £1,846).

The Trust's freehold land and buildings are included in the financial statements at a nominal valuation of £100 each (13 properties, (2005: 13 properties)), except as follows:

The Old Post Office Cottage at Billingford which was leased on a 20 year lease to the Norfolk Windmills Trust is included at a valuation of £185,000 on the basis of a directors valuation following termination of the lease.

The Oulton Manse, Chapel and Coach House have been included at a valuation of £350,200. This comprises a professional valuation of £290,000 in respect of the Manse, at open market value for bank borrowing purposes, carried out by E Macdonald MRICS of NPS Property Consultants Limited, Norwich, Norfolk on 14 June 2002, and a directors valuation of £60,200 for the Chapel and Coach House.

The Denver mill complex has been included at a valuation of £651,000, stated net of value added tax, on the basis of a professional valuation carried out by J A Hazel FRICS FNAEA of Geoffrey Collings and Co, King's Lynn, Norfolk on 11 November 2003. The valuation was based upon open market value assuming satisfactory completion of the renovation project and was prepared in accordance with the RICS statements of Asset Valuation Practice and Guidance Notes.

The directors consider that there has been no significant change in the values included above during the current year.

All fixed assets are held for direct charitable purposes.

The historical cost noted above is the net cost to the Trust and represents the excess of acquisition and restoration costs over grant funding received.

NORFOLK HISTORIC BUILDINGS TRUST (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2006

10 STOCKS AND WORK IN PROGRESS

	2006 £	2005 £
Work in progress comprises:		
Properties in course of development - cost	1,018,826	290,520
Less: Grants and donations receivable	(887,945)	(148,050)
Provision against work in progress in respect of required "own contribution"	(5,927)	(5,927)
	<hr/>	<hr/>
	124,954	136,543
Stocks for resale	4,796	5,202
	<hr/>	<hr/>
	129,750	141,745
	<hr/>	<hr/>

Work in progress at 31 March 2006 comprised the following restricted fund projects:

	Nelson's Monument £	Waxham Barn Groundworks £	Beeston Priory £	Total £
Project costs incurred	1,018,826	-	-	1,018,826
Grants receivable	(858,720)	(7,000)	(1,725)	(867,445)
Donations receivable	(20,500)	-	-	(20,500)
Own funding provision	(5,927)	-	-	(5,927)
	<hr/>	<hr/>	<hr/>	<hr/>
	133,679	(7,000)	(1,725)	124,954
	<hr/>	<hr/>	<hr/>	<hr/>

11 DEBTORS

	2006 £	2005 £
Grants receivable	2,200	5,700
Rents receivable	6,382	5,106
Other debtors	464	-
Prepayments and accrued income	5,948	5,772
	<hr/>	<hr/>
	14,994	16,578
	<hr/>	<hr/>

NORFOLK HISTORIC BUILDINGS TRUST (LIMITED BY GUARANTEE)**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2006

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Bank overdraft	-	6,499
Bank loan (note 13)	100,000	11,580
Other loan (note 13)	100,000	-
Trade creditors	52,267	42,453
Taxation and social security	290	21,969
Other creditors and accruals	18,472	14,366
	<u>271,029</u>	<u>96,867</u>

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2006 £	2005 £
Bank loan:		
Between one and two years	-	11,580
Between two and five years	-	34,740
After five years	-	42,100
	<u>-</u>	<u>88,420</u>
Other loan	-	100,000
	<u>-</u>	<u>188,420</u>

The bank loan carries interest, payable monthly, on the outstanding amount at 2.5% over Lloyds TSB Bank plc base rate and is secured by a legal mortgage over the Oulton Manse, Chapel and Coach House (note 9). Monthly repayments of £965 including capital were due to commence on 30 May 2004. However, no repayments were made during the current or previous year. Therefore, in accordance with Financial Reporting Standard 25 this has been treated as a default event and the loan has been reclassified as due within one year.

The other loan is repayable two years from the date of the legal charge. This loan is secured by a legal mortgage dated 2 August 2004 over Denver Mill and Mill House (note 9).

Both loans have been repaid since the year end following completion of the Nelson's Monument project and the sale of property.

NORFOLK HISTORIC BUILDINGS TRUST (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2006

14 FUNDS

	General reserve	Maintenance reserve	Revaluation reserve	Total reserves
	£	£	£	£
Deficit for the financial year before transfers	(26,723)	-	-	(26,723)
Transfer to maintenance reserve	(41,737)	41,737	-	-
Maintenance costs for year	19,040	(19,040)	-	-
Net (decrease)/increase in reserves for year	(49,420)	22,697	-	(26,723)
Balance at 1 April 2005	86,149	127,061	961,280	1,174,490
Balance at 31 March 2006	36,729	149,758	961,280	1,147,767

The reserves of the Trust may only be applied for similar charitable purposes.

15 TAXATION

The Trust is registered with the Charity Commission and in view of the charitable nature of the objects for which the Trust was established, no provision has been made for taxation.

16 COMMITMENTS AND CONTINGENCIES

The future committed costs relating to the development of existing projects amounts to £122,442 (2005: £841,002) gross, less anticipated improvement grants receivable of £192,197 (2005: £980,443).

17 RELATED PARTY DISCLOSURES

Day by day control of the charitable company rests with the directors on behalf of the 22 (2005: 32) members who have guaranteed its liability to the extent of £1 each.

The Articles of Association of the charitable company provide for a maximum of 50 members of which up to 17 may be appointed by the Norfolk Society and 16 by Norfolk County Council. From these, five directors are appointed from the Norfolk Society and four directors from Norfolk County Council. No one related party has control of the charitable company.

The treasurer, Mr T M Ball, FCA, who is also a member was paid £5,813 (2005: £6,720) for management accounting services during the year.

The secretary, Mr C K Smith, who is also a member was paid £5,000 (2005: £5,000) as an employee during the year.

Norfolk County Council provided grant funding of £40,000 (2005: 55,442) during the year.