

**Norwich Heritage Economic and Regeneration Trust**  
(A company limited by guarantee)

**Report and Financial Statements**  
**For the year ended 31 March 2014**

**Charity number 1109662**  
**Company number 5083002**

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**Norwich Heritage Economic and Regeneration Trust**  
(A company limited by guarantee)

**Financial statements**  
**For the year ended 31 March 2014**

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# Norwich Heritage Economic and Regeneration Trust

## Annual report and financial statements For the year ended 31 March 2014

### Legal and administrative information

Charity name	Norwich Heritage Economic and Regeneration Trust
Charity registration number	1109662
Company registration number	5083002
Registered office	The Guildhall Gaol Hill Norwich NR2 1JS
Operational address	The Guildhall Gaol Hill Norwich NR2 1JS

### Trustees

S Baldry	R S Holden
Mrs A F Case CBE *	Rt Hon Lord Howarth of Newport CBE
Prof. J D Charmley *	The Rt Rev. G R James
G M Creelman OBE	Prof. R J Last *
C Frazer (Chair) *	A Naghshineh
John A Fry	T Procter
P Griffiths	H Wilson
R P W Hall *	

### \* Members of the executive committee

#### Chief Executive

M Loveday

#### Auditors

Larking Gowen, 15 Upper King Street, Norwich, NR3 1RB

#### Bankers

Bank of Scotland, 33 Old Broad Street, London, BX2 1LB

#### Solicitors

Hansells, Cambridge House, Norwich, NR3 1RE

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# **Norwich Heritage Economic and Regeneration Trust**

## **Report of the trustees**

### **For the year ended 31 March 2014**

The trustees present their report and the audited financial statements for the year ended 31 March 2014.

## **Structure, governance and management**

### **Governing document**

The organisation is a charitable company (the Trust) limited by guarantee, incorporated on 24 March 2004 as a registered charity on 25 May 2005. The company was established under a Memorandum of Association which established the objects and powers of the company and is governed under its Articles of Association. In the event of the company being wound up the members are required to contribute an amount not exceeding £1. The company operates as Norwich HEART.

### **Appointment of trustees**

The directors of the Trust are also trustees for the purpose of charity law. Under the requirements of the Memorandum and Articles of Association the trustees are elected to serve for a period of three years after which they must be re-elected at the next Annual General Meeting. The trustees may appoint any person to the position of trustee but any trustee so appointed must retire at the following Annual General Meeting and shall then be eligible for re-election. Norwich City Council are entitled to appoint up to two persons to serve as trustees.

### **Trustee induction and training**

New trustees are briefed on their legal obligations under charity law, the content of the Memorandum and Articles of Association and recent financial performance of the Trust. New trustees are provided with an induction pack covering details about the Trust and its activities and are encouraged to attend appropriate training events where these will facilitate the undertaking of their role.

### **Organisation**

The board of trustees (which consists of a minimum of eleven members (no upper limit)) administers the Trust. The board meets quarterly. A chief executive is appointed by the trustees to manage the day to day operations of the Trust. To facilitate effective operations, the chief executive has delegated authority, within the terms of delegation approved by the trustees, for operational matters including project activities and finance. Up to five trustees form an executive committee which meet on a six weekly basis with the chief executive to agree matters devolved to it from the board and to track progress on the delivery of the Trust's business and development plan.

### **Related party**

Norwich City Council has concluded a service level agreement with the Trust for delivering a range of services covering the areas of promotion of the City, interpretation/engagement with the local community (e.g. HODs) and demonstration of efforts to lever in funding through bids. The Trust receives a fee proportionate to the scale of delivery outputs. HEART and the University of East Anglia have also agreed a Memorandum of Understanding between the two organisations and a Service Level Agreement for this for a further two financial years, to deliver an agreed programme of outputs including lectures, internships, the development of student projects, induction and training and the development of the East Anglian Film Archive (EAFA).

### **Objectives and activities for the public benefit**

The trustees confirm that, in exercising their powers and duties, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission. The Trust's objects and principal activity is the promotion for the public benefit of urban or rural regeneration in areas of social and economic deprivation and in particular in and around the City of Norwich by all or any of the following means:

- \* The preservation and care of buildings or sites of historical or architectural importance including suitable use of and public access to heritage assets.
- \* The maintenance improvement or provision of public amenities.

## **Norwich Heritage Economic and Regeneration Trust Report of the trustees (continued)**

- \* The advancement of education.
- \* The protection or conservation of the environment.

The Trust is currently implementing its development plan with financial support from a number of organisations, including the University of East Anglia, Norwich City Council, the EU Interreg IVa programme, and other supporters. The plan forms the basis of a ten year development programme and has supported bids to a range of funding institutions.

### **Risk management**

The trustees have examined the major strategic, business and operational risks which the Trust faces and have produced a risk management plan which sets out the systems and procedures to mitigate major risks. The plan also includes procedures to minimise the impact on the Trust should those risks materialise. The plan is reviewed annually by the board.

### **Achievements and performance**

#### **Overview**

The Trust's core missions are to:

- \* Act as the single, co-ordinating organisation to strategically plan, regenerate, manage and promote all heritage resources in Greater Norwich and the wider region.
- \* Perform as a 'best practice exemplar' nationally and internationally to promote the economic and social benefits of heritage based regeneration.

Norwich City Council and the University of East Anglia provide core funding through a service level agreement to facilitate this mission. In addition, funding has been secured from other sources, including the EU Interreg IVa Channel and Two Seas programmes, to deliver a range of heritage led regeneration projects.

Once again, the year has been one of significant challenge, in a continuingly difficult economic climate, but the Trust has managed to develop new streams of funding and opportunities for collaboration and partnership working.

#### **Key achievements during 2013/14**

- awarded the prestigious European Union Prize for Cultural Heritage 2014/Europa Nostra Award in competition with entrants from 30 countries
- agreed the second year of a new business plan which will take HEART through the next 4 years of its development securing a sustainable business operating model, defining a limited number of umbrella development projects and reviewing HEART's promotional approach and engagement with its principal stakeholders.
- delivered the EU funded DIGITAL HERITAGE project to a successful conclusion and specifically developed legacy products including interactive archive delivery terminals in the Forum Norwich and Apex in Bury St Edmunds
- produced a detailed evaluation report on the DIGITAL HERITAGE project providing extensive evidence of the significant economic and social impact locally.
- delivered its 3<sup>rd</sup> HEART Dragon Festival generating 70+ events, 100,000+ visits and an economic impact of £805,000 – 89% up on the previous festival
- launched the HistOracle project both through a touch screen portal in the Forum, and as an internet database resource.
- further developed the Norwich Ambassador Scheme including a new annual event to create and sustain a 'Norwich Ambassador Network' and a number of 'top-up' events.
- pushed the boundaries of public engagement further by ensuring that the Heritage Open Days event continued to be the largest free community heritage event in the UK or Ireland outside London.
- published a book on the Industrial Heritage of Norwich
- continued to develop Colman's Mustard Shop and Museum as a sustainable business while making preparations to celebrate the 200<sup>th</sup> anniversary of Colman's of Norwich.

## **Norwich Heritage Economic and Regeneration Trust Report of the trustees (continued)**

- continued to promote HEART's work and the heritage assets of the area to a wide range of regional, national and international audiences.

### **Sustainable Business Model**

HEART secured a £10,000 grant from the Business Improvement District and £50,000 from the Town Close Charity and established dialogues for future grant applications; HEART submitted bids, or undertook the groundwork for submissions, totalling £246,000 to a range of organisations and undertook a major piece of work on funding source identification; HEART commenced the development of a Creative Europe bid, jointly with Ostende, for submission in Oct 2014; HEART developed joint working partnerships with the Forum, Visit Norwich, the Writers Centre, EAFA, SCVA and other organisations but have yet to develop this into cost sharing; the intern system has developed positively as has the level of volunteering (1350 engaged in HODs); HEART continued to monitor its expenditure scrupulously and made staffing adjustments to match changes in available funding; year long discussion culminated in the takeover of Caley's café to act as a sister asset to HEART's Colman's Mustard Shop but also as a potential venue for promoting the heritage offer further

### **Umbrella Projects**

HEART continued to progress the development of a project to establish a national centre for the Medieval period in Norwich including tendering for and developing a new brand, continuing to build the 'need' case, holding a 3 week digital exhibition and lecture series in the Forum, running a community photography competition and extending the research base with a range of partners; HEART maintained the N12 partnership and received a Europa Nostra award work on the project; HEART were invited by the Technology Strategy Board to apply for a Business Excellence Award for HistOracle; the Norwich Industries book has been a spectacular success; a Mustard Anniversaries programme is set for implementation in 2014/15; HODs made a small surplus and was the most successful ever delivered we delivered the 3<sup>rd</sup> HEART Dragon Festival which was 20% bigger than the last one; preliminary business planning has also taken place to take over the Guildhall and develop it as a significant public heritage resource

### **Engagement & Promotion**

HEART appointed an Education Development Officer who has generated a high level of involvement by young people and additional income; a range of delivery partnerships and joint projects with the Forum particularly have allowed HEART to access large audiences; additional to a huge, casual volunteer base HEART has a growing core of activists who enable the Trust to put on events like Dragons but also to staff the Mustard Shop; much of this support has been grown through the Ambassador scheme where graduates now number around 400; HEART has continued to successfully engage influential people from the Head of EU Programmes at the DCLG, through senior international heritage specialists to regional funding agencies leading to a range of benefits from prestigious awards to influencing funding agency strategies; equally, international engagement has continued to be prominent with discussions on future EU projects continuing with potential partners in Western Europe and presentations being made to key figures such as the president of ICOMOS Norway and the Director of the Heritage Canada Foundation as well as sector specialists from as far afield as Japan and China; HEART's digital delivery has seen spectacular increases while we are becoming much more imbedded regularly in conventional media.

### **Subsidiary Company**

HEART's wholly owned subsidiary, HEART Mercers Ltd trading as 'Colman's Mustard Shop & Museum' reported a loss of £736 for the year.

The board of directors are confident that the company will be able to make charitable contributions to HEART in future years.

### **Financial review**

#### **Principal funding sources**

In the current year Norwich City Council provided funds totalling £25,000 to cover operational activities under a service level agreement and a further £41,667 from the University of East Anglia under a further service level agreement.

#### **Investment policy**

The trustees consider that, as the Trust's funds are to be spent in the short term (within 5 years), bank deposits and short term investments are the most suitable investment products.

# **Norwich Heritage Economic and Regeneration Trust**

## **Report of the trustees (continued)**

### **Reserves policy**

The trustees have reviewed the Trust's requirements for reserves in the light of main risks to the organisation. The trustees have adopted a policy under which longer term, unrestricted funds not committed or invested in tangible fixed assets held by the Trust should normally represent between six to twelve months expenditure. However, as the Trust continues to incur costs in connection with feasibility studies and fundraising, the trustees believe that it is prudent to maintain a larger than normal reserve to fund or co-fund existing and future development activity. Consequently the unrestricted reserves held at 31 March 2014 excluding £18,439 held under fixed assets, amounts to £412,000. This includes £287,234 set aside into a designated fund specifically to provide funding for future projects, and a further £120,733 set aside into a designated fund specifically to fund the development of the museum.

### **Plans for future periods**

Over the coming year 2014/15, despite economic challenges, the trustees propose to develop some of the following initiatives:

#### **1. Sustainable Business Model**

- Develop the funding relationship with the local partners, commercial organisations and other potential funding bodies with a view to securing project funding for year 3 but also to consolidate a support base for future years funding
- Develop relationships with new charitable donors by making small funding bids to support projects and short term work on the Guildhall
- Make large funding bid to the Culture Europe programme as lead partner for pan European consortium as groundwork for an Interreg V Channel bid
- Research and develop bidding potential for Guildhall
- Pursue additional possible SLAs
- Continue to grow intern, volunteer, support initiatives

#### **2. Umbrella Initiatives**

- Consolidate work to date on the Medieval project, with new brand, and develop Phase 1 bid to HLF
- Begin to develop modest N12 initiatives to dovetail with the Medieval Project
- Explore with UEA/Essex HistOracle successor
- Tender for consultant to develop long term plan for Guildhall
- Undertake short term improvements to Guildhall (consistent with long term plan) to drive up profile, use and income
- Develop Caley/Mustard Shop visitor synergies and therefore joint visits
- Deliver programme of Colmans 200 activity
- Produce a new publication for Christmas
- Deliver 10<sup>th</sup> Anniversary HODs at least at break even

#### **3. Image & Engagement**

- Develop full, Guildhall based education programme with outreach
- Assess potential for practical engagement with LEP and engage
- Engage in shaping future Interreg programme
- Work with local organisations on more joint activity

The trustees, (who are also Directors of HEART for the purposes of company law) are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice).

## Norwich Heritage Economic and Regeneration Trust

### Responsibilities of the trustees

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

- \* select suitable accounting policies and then apply them consistently;
- \* observe the methods and principles in the Charities SORP;
- \* make judgements and estimates that are reasonable and prudent;
- \* state whether applicable UK 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 operation.

The Trustees are responsible for keeping adequate 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 Companies Act 2006. 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.

### Trustees

The trustees, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 1.

In accordance with company law, as the company's directors, we confirm that:

- \* so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- \* as the directors of the company, we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

### Auditors


Larking Gowen were appointed as the Trust's auditors during the year and have expressed their willingness to continue in that capacity.

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 section 415A of the Companies Act 2006 relating to small entities.

Approved by the trustees on 19/6/14

2014 and signed on behalf of the board by:

C Frazer  
Chair

  
19/6/14



# **Norwich Heritage Economic and Regeneration Trust**

## **Independent auditors' report to the members of**

### **Norwich Heritage Economic and Regeneration Trust**

We have audited the financial statements of Norwich Heritage Economic and Regeneration Trust for the year ended 31 March 2014, which comprise the Group and Parent Statement of Financial Activities, the Group and the Parent Charitable Company Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and its 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 charitable company and the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on page 8 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2014 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

#### **Opinion on other matter prescribed by the Companies Act 2006**

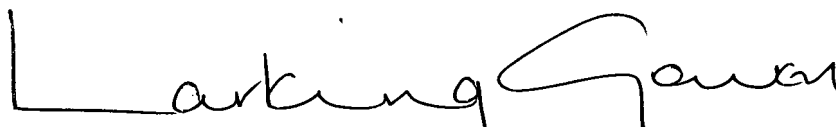
In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Norwich Heritage Economic and Regeneration Trust  
Independent auditors' report to the members of  
Norwich Heritage Economic and Regeneration Trust continued**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**Julie Grimmer FCA DChA**, Senior Statutory Auditor  
For and on behalf of Larking Gowen, Chartered Accountants  
Statutory Auditor

**Norwich**

**Date**

27 June 2014

**Norwich Heritage Economic and Regeneration Trust**  
**Consolidated Statement of Financial Activities**  
**(including income and expenditure account)**  
**For the year ended 31 March 2014**

	Notes	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total Funds 2013 £
<b>Incoming resources</b>					
<b>Incoming resources from generated funds:</b>					
<b><i>Voluntary income (including core grants)</i></b>					
Local Authority funding		25,000		<b>25,000</b>	35,000
Donations		1,572	-	<b>1,572</b>	4,766
<b><i>Activities for generating funds</i></b>					
Commercial trading operations	2	288,170	-	<b>288,170</b>	422,623
Book sales		11,125	947	<b>12,072</b>	62
Functions		4,492	-	<b>4,492</b>	23,911
Sale of goods		-	-	-	387
Bank deposit interest		2,534	-	<b>2,534</b>	3,064
<b>Incoming resources from charitable activities</b>					
European Regional Development Fund		-	280,384	<b>280,384</b>	451,964
University of East Anglia		41,667	2,500	<b>44,167</b>	41,667
Town Close Charity		-	53,500	<b>53,500</b>	3,500
Norwich Business Improvemnt Dist (NEMA)			10,000	<b>10,000</b>	
Other income		9,790	1,840	<b>11,630</b>	36,033
<b>Total incoming resources</b>	3	384,350	349,171	<b>733,521</b>	1,022,977
<b>Resources expended</b>					
<b><i>Cost of generating funds:</i></b>					
Regeneration		67,841	-	<b>67,841</b>	8,503
Commercial trading operations		279,359	-	<b>279,359</b>	281,417
<b><i>Charitable activities</i></b>		189,559	117,912	<b>307,471</b>	725,107
<b><i>Governance costs</i></b>		33,564	-	<b>33,564</b>	43,672
<b>Total resources expended</b>	4	570,323	117,912	<b>688,235</b>	1,058,699
<b>Net incoming/(outgoing) resources</b>		(185,973)	231,259	<b>45,286</b>	(35,722)
Gross transfers between funds		150,655	(150,655)	-	-
<b>Net incoming resources</b>		(35,318)	80,604	<b>45,286</b>	(35,722)
Total funds brought forward		465,553	(77,117)	<b>388,436</b>	424,158
<b>Total funds carried forward</b>		<b>430,235</b>	<b>3,487</b>	<b>433,722</b>	388,436

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

The notes on pages 14 to 21 form part of these financial statements.

# Norwich Heritage Economic and Regeneration Trust

## Statement of Financial Activities (Charity only) (including income and expenditure account) For the year ended 31 March 2014

	Notes	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
<b>Incoming resources</b>					
<b>Incoming resources from generated funds:</b>					
<b><i>Voluntary income (including core grants)</i></b>					
Local Authority funding		25,000		<b>25,000</b>	35,000
Donations		1,572	-	<b>1,572</b>	4,766
<b><i>Activities for generating funds</i></b>					
Book sales		14,465	947	<b>15,412</b>	10,662
Functions		4,492	-	<b>4,492</b>	23,911
Sale of goods		-	-	-	387
Bank deposit interest		2,038	-	<b>2,038</b>	2,479
<b>Incoming resources from charitable activities</b>					
European Regional Development Fund		-	280,384	<b>280,384</b>	451,964
University of East Anglia		41,667	2,500	<b>44,167</b>	41,667
Town Close Charity		-	53,500	<b>53,500</b>	3,500
Norwich Bus Improvemnt Dist			10,000	<b>10,000</b>	
Other income		16,789	1,840	<b>18,629</b>	39,633
Gift aid from subsidiary		-	-	-	127,832
<b>Total incoming resources</b>		106,023	349,171	<b>455,194</b>	741,801
<b>Resources expended</b>					
<b><i>Cost of generating funds:</i></b>					
<b><i>Regeneration</i></b>		67,676	-	<b>67,676</b>	8,503
<b><i>Charitable activities</i></b>		197,628	117,912	<b>315,540</b>	725,107
<b><i>Governance costs</i></b>		25,496	-	<b>25,496</b>	43,672
<b>Total resources expended</b>		290,800	117,912	<b>408,712</b>	777,282
<b>Net incoming/(outgoing) resources</b>	5	(184,777)	231,259	<b>46,482</b>	(35,481)
Gross transfers between funds		150,655	(150,655)	-	-
<b>Net incoming resources</b>		(34,122)	80,604	<b>46,482</b>	(35,481)
Total funds brought forward		463,347	(77,117)	<b>386,230</b>	421,711
<b>Total funds carried forward</b>		429,225	3,487	<b>432,712</b>	386,230

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

The notes on pages 14 to 21 form part of these financial statements.

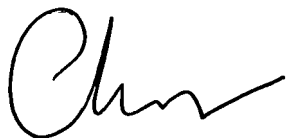
**Norwich Heritage Economic and Regeneration Trust**  
**Consolidated Balance Sheet**  
**As at 31 March 2014**

	Notes	Group 2014 £	Group 2013 £	Charity 2014 £	Charity 2013 £
<b>Fixed assets</b>					
Tangible assets	9	18,436	2,553	6,777	2,553
Investment	11	-	-	100	100
		<b>18,436</b>	<b>2,553</b>	<b>6,877</b>	<b>2,653</b>
<b>Current assets</b>					
Stock	12	67,367	50,994	-	-
Debtors	13	38,273	69,302	53,218	180,842
Cash at bank and in hand		425,388	355,358	424,749	243,807
		<b>531,028</b>	<b>475,654</b>	<b>477,967</b>	<b>424,649</b>
Creditors: amounts falling due within one year	14	(115,742)	(89,771)	(52,132)	(41,072)
<b>Net current assets</b>		<b>415,286</b>	<b>385,883</b>	<b>425,835</b>	<b>383,577</b>
<b>Net assets</b>		<b>433,722</b>	<b>388,436</b>	<b>432,712</b>	<b>386,230</b>
<b>Unrestricted funds</b>	16 & 17	<b>430,235</b>	<b>465,553</b>	<b>429,225</b>	<b>463,347</b>
<b>Restricted funds</b>	16 & 17	<b>3,487</b>	<b>(77,117)</b>	<b>3,487</b>	<b>(77,117)</b>
		<b>433,722</b>	<b>388,436</b>	<b>432,712</b>	<b>386,230</b>

Approved by the trustees on 19/6/14

2014 and signed on behalf of the board by:

C Frazer  
Chair



Company no.5083002

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**Norwich Heritage Economic and Regeneration Trust**  
**Notes to the financial statements**  
**Year ended 31 March 2014**

**1 Accounting policies**

A summary of the accounting policies, which have been applied consistently, is set out below:

**(a) Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and the Statement of Recommended Practice' Accounting and Reporting by Charities issued in March 2005.

**(b) Group financial statements**

The financial statements consolidate the results of the charity and its wholly owned subsidiary HEART Mercers Limited on a line-by-line basis. A separate Statement of Financial Activities, and income and expenditure account for the charity itself has been produced on page 12.

**(c) Fund accounting**

- \* Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the Trust which have not been designated for other purposes.
- \* Restricted funds are funds which can only be used for particular restricted purposes within the objectives of the Trust. Restrictions arise when specified by the donor or when funds are raised for a restricted purpose.
- \* Designated funds are generally held where there is a commitment to secure funding for future projects.

**(d) Incoming resources**

All incoming resources are included in the statement of financial activities when the Trust is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- \* Income is received by way of grants, sponsorships, donations and from commercial operations and is included in full in the statement of financial activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the Trust, are recognised when the Trust becomes unconditionally entitled to the grant.
- \* Donated services and facilities are included at the value to the Trust where this can be quantified.
- \* Income from commercial trading is included when receivable.
- \* Investment income is included when receivable.

**(e) Resources expended**

Expenditure is recognised on an accruals basis, and is reported as part of the expenditure to which it relates:

- \* Costs of generating funds comprise the costs of commercial trading and the costs of applying for funds from commercial and public organisations.
- \* Charitable expenditure comprises those costs incurred by the Trust in the delivery of its activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- \* Governance costs include those costs associated with meeting the constitutional and statutory requirements the Trust and include the audit fees and costs linked to the strategic management of the Trust.

**Norwich Heritage Economic and Regeneration Trust**  
**Notes to the financial statements (continued)**  
**Year ended 31 March 2014**

**1 Accounting policies (continued)**

**(f) Fixed assets**

Fixed assets are stated at cost less accumulated depreciation. The cost of minor additions or those costing below £1,000 are not capitalised. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, which in all cases is estimated at 3 years.

**(g) Investment in subsidiaries**

Investment in subsidiaries is stated at cost less provisions for diminution in value.

**(h) Stock**

Stock is included at the lower of cost or net realisable value.

**(i) Operating leases**

Rentals paid under operating leases are charged to the statement of financial activities as incurred.

**(j) Pensions**

The Trust operates various defined contribution schemes for the benefit of its employees. Contributions payable are charged to the statement of financial activities in the year they are payable.

**(k) Deferred income**

Deferred income is released to the profit and loss account over the period expected to benefit.

**(l) Foreign Currency**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the Statement of Financial Activities.

**2 Incoming resources from activities for generating funds**

The wholly owned trading subsidiary, HEART Mercers Limited operates a retail shop in the Royal Arcade, Norwich(The Mustard Shop) and a café in The Guildhall, (Caley's). Its profits are paid to the charity by gift aid.

	<b>2014</b>	2013
	<b>£</b>	£
Turnover	<b>288,170</b>	268,848
Operating contribution (see below)	-	153,325
Interest receivable	<b>497</b>	585
	<b>288,667</b>	422,758
Less: Cost of sales and administration	<b>(289,403)</b>	(295,168)
Net profit	<b>(736)</b>	127,590
Amount gift aided to the charity	-	(127,832)
Retained in subsidiary	<b>(736)</b>	(242)
The assets and liabilities of the subsidiary were:		
Fixed assets	<b>11,659</b>	-
Current assets	<b>95,561</b>	178,876
Current liabilities (2013: includes £127,832 gift aid)	<b>(106,110)</b>	(177,030)
Total net assets	<b>1,110</b>	1,846
Aggregate share capital and reserves	<b>1,110</b>	1,846

Operating contribution represents the release of deferred income to the profit and loss account.

# Norwich Heritage Economic and Regeneration Trust

## Notes to the financial statements (continued)

Year ended 31 March 2014

<b>3 Total incoming resources</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>Total</b>	<b>Total</b>
			<b>£</b>	<b>£</b>
<b><i>Norwich City Council</i></b>				
Core funding and Other Projects	25,000		<b>25,000</b>	35,000
<b><i>European Regional Development Fund</i></b>				
Shaping 24	-	207,297	<b>207,297</b>	378,932
Digital Heritage	-	73,087	<b>73,087</b>	73,032
<b><i>University of East Anglia</i></b>				
Service Level Agreement	41,667	-	<b>41,667</b>	41,667
Other projects	-	2,500	<b>2,500</b>	-
<b><i>Town Close Charity</i></b>				
NEMA Project and Bursary Scheme	-	53,500	<b>53,500</b>	3,500
Norwich Business Improvmt Dist (NEMA)		10,000	<b>10,000</b>	
<b><i>Investment and other income</i></b>				
Commercial trading operations	288,170	-	<b>288,170</b>	422,623
Donations	1,572	-	<b>1,572</b>	4,766
Book sales	11,125	947	<b>12,072</b>	62
Other income	14,282	1,840	<b>16,122</b>	60,331
Investment income	<u>2,534</u>	<u>-</u>	<b><u>2,534</u></b>	<u>3,064</u>
	<b>384,350</b>	<b>349,171</b>	<b>733,521</b>	<b>1,022,977</b>

Included within European Regional Development Fund, Shaping 24 restricted incoming resources, is £Nil (2013: £136,452) for donated services and facilities. The major items are:

	<b>2014</b>	<b>2013</b>
External research and professional staff	-	79,378
Real estate (room hire)	-	57,074

An equal amount is included within expenditure under charitable activities.



**Norwich Heritage Economic and Regeneration Trust**  
**Notes to the financial statements (continued)**  
**Year ended 31 March 2014**

<b>4 Total resources expended</b>			<b>2014</b>	<b>2013</b>
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost of generating funds</b>				
<b><i>Regeneration</i></b>				
Staff salaries and pension	59,633	-	<b>59,633</b>	5,074
Direct costs	7,488	-	<b>7,488</b>	1,661
Office costs	555	-	<b>555</b>	1,660
Depreciation	165	-	<b>165</b>	108
	<u>67,841</u>	<u>-</u>	<u><b>67,841</b></u>	<u>8,503</u>
Commercial trading operations	<u>279,359</u>	<u>-</u>	<u><b>279,359</b></u>	<u>281,417</u>
	<u>347,200</u>	<u>-</u>	<u><b>347,200</b></u>	<u>289,920</u>
<b>Charitable activities</b>				
<b><i>Regeneration</i></b>				
Staff salaries and pension	139,661	39,544	<b>179,205</b>	282,642
Office costs	-	-	-	38
Donated services and facilities	-	-	-	136,452
<b><i>Engagement, knowledge and promotion</i></b>				
Bursary	-	12,298	<b>12,298</b>	5,014
Project costs	40,384	66,070	<b>106,454</b>	297,899
Heritage open days	<u>9,514</u>	<u>-</u>	<u><b>9,514</b></u>	<u>3,062</u>
	<u>189,559</u>	<u>117,912</u>	<u><b>307,471</b></u>	<u>725,107</u>
<b>Governance costs</b>				
Staff salaries and pension	8,068	-	<b>8,068</b>	12,177
Office costs	8,000	-	<b>8,000</b>	7,998
Audit and other fees	13,361	-	<b>13,361</b>	21,449
Depreciation	<u>4,135</u>	<u>-</u>	<u><b>4,135</b></u>	<u>2,048</u>
	<u>33,564</u>	<u>-</u>	<u><b>33,564</b></u>	<u>43,672</u>
<b>Total resources expended</b>	<u><u>570,323</u></u>	<u><u>117,912</u></u>	<u><u><b>688,235</b></u></u>	<u><u>1,058,699</u></u>

Staff salaries have been allocated on a time basis

**5 Net (outgoing)/incoming resources for the year**

Net (outgoing)/incoming resources for the year is stated after charging:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Depreciation	<b>4,300</b>	4,705
Auditors' remuneration - audit fee	<b>6,918</b>	8,455
Auditors' remuneration - other services	<b>2,870</b>	7,350
Operating leases	<u><b>47,500</b></u>	<u>39,000</u>

**Norwich Heritage Economic and Regeneration Trust**  
**Notes to the financial statements (continued)**  
**Year ended 31 March 2014**

**6 Staff costs and numbers**

	<b>Group 2014</b>	<b>Charity 2014</b>	<b>Group 2013</b>	<b>Charity 2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Salaries	270,208	198,812	308,953	244,939
Social security costs	21,170	17,258	26,143	22,045
Employer pension contributions	31,936	30,836	35,542	32,909
	<b>323,314</b>	<b>246,906</b>	<b>370,638</b>	<b>299,893</b>

Average full time equivalent staff employed during the year were:

13	8	15	11
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No employees received emoluments in excess of £60,000 during the year. No trustee received any remuneration, expenses or benefits during the year.

**7 Pension costs**

The charity operates defined contribution pension schemes on behalf of certain employees. The contributions to the schemes are paid into external independently administered funds. The pension cost charge represents contributions payable by the charity to the schemes amounted to £30,836 (2013: £32,909).

**8 Taxation**

As a charity the company is exempt from tax on income and capital gains.

**9 Tangible fixed assets**

	<b>Group Equipment £</b>	<b>Charity Equipment £</b>
<b>Cost</b>		
At 1 April 2013	37,909	26,909
Additions	20,183	8,359
Disposals	-	-
At 31 March 2014	<b>58,092</b>	<b>35,268</b>
<b>Depreciation</b>		
At 1 April 2013	35,356	24,356
Charge for the year	4,300	4,135
Less depreciation on disposal	-	-
At 31 March 2014	<b>39,656</b>	<b>28,491</b>
<b>Net book value</b>	<b>18,436</b>	<b>6,777</b>
At 31 March 2014		
At 31 March 2013	<b>2,553</b>	<b>2,553</b>

**Norwich Heritage Economic and Regeneration Trust**  
**Notes to the financial statements (continued)**  
**Year ended 31 March 2014**

**10 Related party transactions**

In accordance with the Memorandum and Articles of Association, Norwich City Council are entitled to appoint up to two persons to serve as trustees. During the year Norwich City Council provided funding under a Service Level Agreement totalling £25,000 (2013: £35,000) there was £10,000 further funding (2013: £Nil) (see note 3). No payments were made to the Council in respect of services and supplies received (2013: Nil).

Professor John Charmley is Head of the School of Music and Director of Employability at the University of East Anglia (UEA), and also serves as a trustee of HEART. During the year, the UEA provided funding to HEART under a Service Level Agreement (SLA) totalling £41,667 and a further £2,500 in respect of services and supplies received (2013: total £67,648).

Professor Charmley is also Director of the East Anglian Film Archive and Director of the Centre for East Anglian Studies. As part of the SLA with UEA, HEART will develop synergies with the East Anglian Film Archive and explore means to develop income streams from Archive films. Additionally, also within the terms of the SLA, HEART will undertake the administration of the Centre for East Anglian Studies to include mail outs to associate members, alerts for specific heritage events, and engagement in HEART activities.

M Loveday, director of the subsidiary company HEART Mercers, who is Chief Executive of HEART, sold a publication at wholesale price to the company for resale. The total value of items purchased was £507 (2013: £412). There were no outstanding balances at year end.

Apart from the above, no trustee or other person related to the trust had any personal interest in any contract or transaction entered into by the Trust during the year.

**11 Investment in subsidiary**

The charity holds 100 shares of £1 each in its wholly owned trading subsidiary company HEART Mercers Limited which is incorporated in the United Kingdom. The activities and results of this company is summarised in note 2.

**12 Stock**

	<b>Group</b>		<b>Charity</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Goods for resale	<b>67,367</b>	50,994	-	-

**13 Debtors**

	<b>Group</b>		<b>Charity</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Grants receivable	-	27,500	-	27,500
Other debtors	<b>34,102</b>	31,958	<b>7,561</b>	18,782
Value added tax recoverable	<b>4,171</b>	9,844	<b>3,057</b>	6,690
Amount due from subsidiary undertaking	-	-	<b>42,600</b>	127,870
	<b>38,273</b>	69,302	<b>53,218</b>	180,842

**Norwich Heritage Economic and Regeneration Trust**  
**Notes to the financial statements (continued)**  
**Year ended 31 March 2014**

**14 Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Charity</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Heritage led regeneration	10,000	10,000	10,000	10,000
Other creditors	105,742	79,771	42,132	31,072
	<u>115,742</u>	<u>89,771</u>	<u>52,132</u>	<u>41,072</u>

**15 Operating lease commitments**

The following payments are committed to be paid within one year:

	<b>Group</b>		<b>Charity</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Expiring:				
Within one year	15,000			
Between two and five years	<u>32,500</u>	<u>39,000</u>	<u>-</u>	<u>-</u>

**16 Analysis of net assets between funds**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
	<b>Funds</b>	<b>funds</b>	<b>Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Fixed assets	18,436	-	18,436
Cash	419,339	6,049	425,388
Debtors	38,273	-	38,273
Stock	67,367	-	67,367
Creditors	(113,180)	(2,562)	(115,742)
	<u>430,235</u>	<u>3,487</u>	<u>433,722</u>

Net assets at 31 March 2014

**Norwich Heritage Economic and Regeneration Trust**  
**Notes to the financial statements (continued)**  
**Year ended 31 March 2014**

<b>17 Movement in funds</b>	<b>At 31 March 2013 £</b>	<b>Incoming Resources £</b>	<b>Outgoing resources £</b>	<b>Transfers £</b>	<b>At 31 March 2014 £</b>
<b>Restricted funds</b>					
Shaping 24	(31,133)	208,243	(621)	(176,489)	-
Bursary	12,284	3,500	(12,297)	-	3,487
Digital Heritage	(58,268)	73,187	(80,072)	65,153	-
NEMA Project	-	64,241	(24,922)	(39,319)	-
	(77,117)	349,171	(117,912)	(150,655)	3,487
<b>Unrestricted funds</b>					
General fund	109,543	384,350	(570,225)	98,599	22,267
Designated fund	235,178	-	-	52,056	287,234
Designated museum development fund	120,832	-	(98)	-	120,734
	465,553	384,350	(570,323)	150,655	430,235
	<b>388,436</b>	<b>733,521</b>	<b>688,235</b>	<b>-</b>	<b>433,722</b>

**Shaping 24**

Funding from the European Regional Development Fund was secured through the EU Interreg IVa programme to deliver the successful Norwich12 project. SHAPING24 moved forward the work already undertaken in establishing Norwich12 as a collective heritage destination, and worked in partnership with the Belgian City of Ghent to jointly develop innovative approaches to cultural heritage and tourism in both cities. Strategies for Heritage Access Pathways in Norwich and Ghent linked the Norwich12 with 12 iconic heritage buildings in Ghent. The transfer represents time and resources invested over the life of the project.

**Bursary**

A bursary scheme funded by HEART, Norwich City Council and the Town Close Estate Charity provides funding support for students to undertake heritage related study or research.

**Digital Heritage**

This cross channel digitisation project aimed to increase public access to a unique collection of archive films from the East of England and Upper Normandy. Funding was approved for a European Regional Development Fund grant to bring this valuable, moving image history alive for modern audiences. The transfer represents funding of the project from HEART's own reserves.

**NEMA Project**

Funding was received from the Norwich Business Improvement District, the Town Close Estate Charity, The Forum and the Centre for East Anglian Studies, to launch the National Exploratory of the Middle Ages project. A large community event (Dragon Festival) was held in Norwich and branding and design work embarked upon from this funding. The transfer represents time and resources invested during the project.

**Designated fund**

Funds have been allocated to a designated fund in recognition of HEART's commitment to secure funding for future projects and support existing projects as necessary.

**Designated museum development fund**

Funds have been allocated to a designated fund to fund the development of the mustard shop museum.