

EARL OF NORTHAMPTON'S CHARITY
ACCOUNTS FOR THE YEAR TO 31 MARCH 2009

Charity Registration no. 210291

EARL OF NORTHAMPTON'S CHARITY

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EARL OF NORTHAMPTON'S CHARITY

TRUSTEE'S REPORT

The Trustee of the Earl of Northampton's Charity presents its Report for the year ended 31 March 2009.

Structure, Governance and Management

Legal status

Shortly before his death in 1614, Henry Howard, Earl of Northampton, founded a "hospital", or almshouse, for poor men at Greenwich, known as Trinity Hospital, and although he was not a member of the Mercers' Company he entrusted the management to the Company's care. Trinity Hospital still includes the original 17th century building beside the Thames at Greenwich. Under the same trust, 8 almshouses are provided at Shotesham in Norfolk for elderly local residents. A number of grants and allowances are also made.

The Charity is now regulated by a Scheme of the Charity Commissioners dated November 2003. The Charity was previously regulated by a Scheme dated December 1964, varied by a Scheme dated March 1967, and consolidated in a Scheme dated August 1982. The registered number is 210291.

Principal object

The Charity's principal object is the administration of almshouses at Greenwich and Shotesham. The Trustee is also empowered to make payments to certain other charities and individuals for relief of poverty and people in need, hardship or distress.

Trustee

The Trustee is known as the Mercers' Company which is a body corporate formed by Royal Charter in 1394 and is the controlling party. The Company comprises the Wardens and Commonalty of the Mystery of Mercers of the City of London.

The Mercers' Company is a livery company and, as such, has no board of directors. The senior executive management comprises:

M McGregor (Clerk)
AGR Hatfield (Head of Finance)
KA Payne (Head of Charity Services)

The address of the principal office of the Charity and of the Trustee is:

Mercers' Hall
Ironmonger Lane
London EC2V 8HE

The Trustee utilises the expertise of committees operated by the Trustee for advice and professional guidance. These specialist committees include a Finance Committee, Audit Committee, Investment Sub-Committee, Almshouse and Housing Committee, and Charity Committee. The Trustee employs appropriately trained and qualified staff.

The Trustee is supported by staff of the livery company to whom the day to day management is delegated. These include members of the executive management, specialist grants officers and the Charity's accountant (Clare Z Fuchs).

Risk management

The Trustee acknowledges its responsibility for the management of risks faced by the Charity. A review is undertaken regularly by the Trustee to identify, assess and control the associated risks. The Trustee, in considering the governance, management, operational, financial and environmental risks, is satisfied, at this stage, that there is no material exposure and that there are procedures in place to mitigate such risks. The Trustee has agreed clear lines of delegation and authority and both the Trustee and staff are involved in the recognition of risk in all their activities.

Details of related parties are given in note 13 of the financial statements.

EARL OF NORTHAMPTON'S CHARITY

TRUSTEE'S REPORT (continued)

Advisors

The main advisors to the Trustee during the period were:

Financial and audit:	PricewaterhouseCoopers LLP, First Point, 1 Embankment Place, London, WC2N 6RH
Legal:	Linklaters LLP, One Silk Street, London, EC2Y 8HQ
Banking:	Barclays Bank PLC 1 Churchill Place, London, E14 5HP
Investment management:	Rothschild Private Management Limited 1 King William Street, London, EC4N 7AR

Statement of Trustee responsibilities

The purpose of this statement is to distinguish the Trustee responsibilities for the accounts from those of the auditors as stated in their report.

The Charities Act 1993 requires the Trustees to prepare accounts for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow the recommendations of the Charity Commission and of the accounting profession with regard to form and content of the accounts, or to disclose and explain any departures therefrom;
- prepare the accounts on the going concern basis unless it is inappropriate to assume that the charity will be able to continue to meet its objectives.

The Trustee is responsible for keeping accounting records which are such as to disclose, with reasonable accuracy, the financial position of the charity at any time, and to enable the Trustee to ensure that the accounts comply with the disclosure regulations (primarily Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005). The Trustee is also responsible for safeguarding the charity's assets, and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities.

Principal aims and achievements for the period

The principal aims of the Charity are to provide sheltered accommodation for elderly people living within the prescribed areas of benefit – Greenwich, London and Shotesham, Norfolk - and also to give support to others in need of hardship or distress. The Trustee confirms that reference has been made to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charities aims and objectives and in planning future activities and setting the grant making policy for the year.

The Charity recently completed a new almshouse development in the grounds of Trinity Hospital Greenwich and this was formally opened in 2008. The thriving community includes a number of single gentlemen but with the new and greatly improved accommodation available, a number of couples have also become residents.

The redevelopment of Trinity Hospital Shotesham, in Norfolk, was undertaken this year and in place of the eight single-room cottages, there are now four very attractive one-bedroom cottages and two, larger, two-bedroom ones.

The final phase in the redevelopment plan for the Charity's almshouses will be the refurbishment of the original almshouse in Greenwich, which is now empty.

EARL OF NORTHAMPTON'S CHARITY

TRUSTEE'S REPORT (continued)

Grants were made to Trinity Hospital Clun and to Trinity Hospital Castle Rising to support their current work. Both are almshouse charities founded by the Earl of Northampton under separate foundations with which the Mercers' Company is not connected although there is an undertaking to provide them with a measure of support.

The Charity made no other grants this year as it implements the approved strategy of concentrating on the redevelopment programme for the almshouses.

Valuing volunteers

Members of the Mercers' Company, the Trustee of the Charity, volunteer to give their time throughout the year and have been mostly involved in the appointment of new beneficiaries, visits to the almshouses at regular intervals as well as sitting on the committees that oversee the management of the Charity. These services are provided free of charge and in keeping with recommended practice an estimate of the number of hours is approximately 86 hours of voluntary time (2008: 87 hours).

Grant-making policy

As above, the current policy is to apply the income of the Charity in accordance with its principal objects, namely the support of the almshouses until such time as the redevelopment programme has been completed.

Review of financial position

Funding sources

The Charity is primarily funded from its own investments. The building of the new almshouse at Greenwich has been funded by donations from The Charity of Sir Richard Whittington and the Mercers' Charitable Foundation. In addition, maintenance charges are payable by almshouse residents as a contribution towards the running costs of the properties.

Reserves policy

The undesignated reserves held within the Unrestricted Funds were £324,000 at the period end compared with £328,000 for 2008. The Trustee believes that holding up to six months almshouses running costs is an acceptable level of reserves (i.e. approximately £150,000). It is intended that surplus reserves will be used for the planned improvement of the almshouses (see note 4). The Trustee reviews the level of reserves on a regular basis.

Investment policy and objectives

In accordance with the Scheme, the Trustee has the power to invest in such stocks, shares, and property as appropriate to meet the objectives of the Charity. The investment objective is for a rising level of income while preserving the long term real value of the investments. The investment performance of stock market investments is compared against relevant market benchmarks.

Total losses on stock market investments (2009: £4,253,000 loss, 2008: £887,000 loss) arose as a result of significant market falls and global recession.

The Mercers' Common Investment Fund under-performed with total actual return for the 12 months to 31 March 2009 being -31.7% compared to the composite benchmark of -27.5%

The valuation of the portfolio as at 30 June 2009 was £8,561,000.

EARL OF NORTHAMPTON'S CHARITY

TRUSTEE'S REPORT (continued)

Total losses on stock market investments held in the restricted fund of £122,000 (2008: £31,000 loss) arose as a result of significant market falls during the year. The fund performed positively against the benchmark as follows:

Fund	Fund return	Benchmark return	Differential
	%	%	%
Sinking Fund	-27.1	-29.3	2.2

The valuation of the portfolio as at 30 June 2009 was £359,000.


Income during the period from property investments amounted to £38,000 (2008: £56,000).

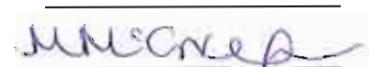
Plans for 2010 and beyond

The Charity will continue with the redevelopment of the original Hospital in Greenwich. The grant making programme will be curtailed in the short term but is expected to resume, in an expanded form, within the next four years. The Charity intends to develop the programme of events and activities available at both almshouses and to continue to strengthen links with the local communities.

Signed on behalf of the Trustee by:

Date: 24/7/09


FW Scarborough
Master


M McGregor
Clerk

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF THE EARL OF NORTHAMPTON'S CHARITY

We have audited the financial statements of The Earl of Northampton's Charity for the year ended 31 March 2009 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of the trustee and auditors

The responsibilities of the trustee for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustee Responsibilities.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the charity's trustee as a body in accordance with paragraph 24 of The Charities (Accounts and Reports) Regulations 2008 made under the Charities Act 1993 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the information given in the Trustee's Report is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Trustee's Report 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 judgments made by the trustee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity'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 charity's affairs as at 31 March 2009 and of its incoming resources and application of resources, for the year then ended; and
- the financial statements have been properly prepared in accordance with the Charities Act 1993.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

27 July 2009

EARL OF NORTHAMPTON'S CHARITY

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2009

		Year ended 31 March 2009			18 months ended 31 March 2008	
	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000	Total Funds £'000
Incoming resources						
<i>Incoming resources from generated funds</i>						
Voluntary income	2	86	880	-	966	1,629
Rental income		38	-	-	38	56
Investment income		325	98	-	423	739
Interest		32	-	-	32	26
<i>Incoming resources from charitable activities</i>						
Maintenance charges		180	-	-	180	116
Total incoming resources		661	978	-	1,639	2,566
Resources expended						
<i>Costs of generating funds</i>						
Investment management costs	3	(6)	(1)	-	(7)	(14)
<i>Charitable activities</i>						
Housing for the elderly	3,4,14	(525)	-	(3)	(528)	(544)
Relief of poverty	3,15	(22)	-	-	(22)	(192)
<i>Governance costs</i>						
	3	(19)	-	-	(19)	(21)
Total expended resources		(572)	(1)	(3)	(576)	(771)
Net incoming/(outgoing) resources before transfers		89	977	(3)	1,063	1,795
Transfer between funds	9, 10	296	(296)	-	-	-
Net investment losses	5,6	-	(122)	(4,354)	(4,476)	(694)
Net movement in funds		385	559	(4,357)	(3,413)	1,101
Balance brought forward	9,10,11	6,755	2,437	13,156	22,348	21,247
Balance at period end	9,10,11	7,140	2,996	8,799	18,935	22,348

All amounts relate to continuing activities.

EARL OF NORTHAMPTON'S CHARITY


BALANCE SHEET


	Notes	31 March 2009		31 March 2008	
		£'000	£'000	£'000	£'000
Fixed assets					
Almshouse property	4	7,387		6,968	
Investment property	5	888		1,110	
Investments	6	<u>8,071</u>		<u>12,318</u>	
			16,346		20,396
Current assets and liabilities					
Debtors	7	182		161	
Short term investments		2,000		1,627	
Cash		543		487	
Creditors	8	<u>(136)</u>		<u>(323)</u>	
Net current assets			<u>2,589</u>		<u>1,952</u>
Net assets			<u>18,935</u>		<u>22,348</u>
 Represented by:					
Unrestricted Funds	9		7,140		6,755
Restricted Funds	10		2,996		2,437
Endowment Funds	11		<u>8,799</u>		<u>13,156</u>
			<u>18,935</u>		<u>22,348</u>

The attached notes on pages 9 to 17 form an integral part of these accounts.

Signed on behalf of the Trustee by:

Date: 24/7/09


 FW Scarborough
 Master


 M McGregor
 Clerk

EARL OF NORTHAMPTON'S CHARITY

NOTES TO THE ACCOUNTS – 31 MARCH 2009

1 ACCOUNTING POLICIES

Accounting basis

The accounts are prepared in accordance with applicable accounting standards, on an historical cost basis as modified by the revaluation of investments and comply with charity law and with the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005.

Income

Rents are reported on an accruals basis. Interest is also included on an accruals basis. Dividends from investment funds are included as receivable on the due dates. Donations are recognised when there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Gifts in kind are included at their market value at the date of receipt.

Expenditure

All expenditure is included on an accruals basis. Irrecoverable VAT is charged to the Statement of Financial Activities (SOFA) as incurred. Support costs relate to staff time and facility costs incurred by the Mercers' Company on behalf of the Charity. This cost is not charged to the charity, but has been estimated by the Mercers' Company based on the proportion of time spent on the charity by staff, and is shown in these accounts as both voluntary income and resources expended. Support costs have been allocated between activities based on further estimated breakdowns of staff time. This includes time spent on the governance arrangements, relating to the general running of the charity, which has been allocated to governance costs.

Grants

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

Pensions

Pension contributions are paid to the Mercers' Company pension scheme in accordance with the recommendations of the Actuary. It is a multi-employer scheme and therefore the contributions made by the charity are treated as defined contribution payments. Contributions payable for the period are charged to the Statement of Financial Activities (SOFA).

Investment gains and losses

Unrealised investment gains and losses for the period reflect the movement in market values. Realised gains and losses represent the difference between proceeds on disposal and the market value brought forward. Unrealised and realised investment gains or losses are shown net on the face of the SOFA.

Investments

Investment properties were valued at open market value on 31 December 2008 by Atisreal who are a qualified independent firm of surveyors. The Trustee has considered these valuations in the light of the market at the period end. Other investments are stated at their market value at the balance sheet date.

Almshouse properties

The almshouse properties are reported at historical cost less accumulated depreciation. Assets under construction are valued at cost and will be depreciated upon completion.

Depreciation

Depreciation is provided on the almshouse properties and other assets. The Trustee considers the useful life of these properties to be not less than 50 years and 4 years for fixtures and fittings. Accordingly, a depreciation rate of 2% and 25% has been applied to the historical cost of the properties after adjusting for the cost of the land and other assets respectively. In accordance with SSAP 19 depreciation is not provided on investment properties that are held as freeholds or on leases having more than 20 years unexpired. Where an asset is not primarily used to generate income its impairment is assessed by reference to its service potential on its initial acquisition. The Charity currently has no tangible fixed assets to which impairment provisions apply.

EARL OF NORTHAMPTON'S CHARITY

NOTES TO THE ACCOUNTS – 31 MARCH 2009 (continued)

1 ACCOUNTING POLICIES (continued)

Capitalisation

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

Funds

The charity has three types of fund:

- Endowment - where the capital is held in perpetuity to generate distributable income;
- Restricted - where the purposes for which the funds may be used have been restricted by donors;
- Unrestricted - where the fund is not restricted as to use.

Cashflow statement

The charity has taken advantage of the small entity exemption conferred by FRS1 from preparing a cashflow statement

2 VOLUNTARY INCOME

Analysis of voluntary income:

	2009	2008
	£'000	£'000
Donations from the Mercers' Charitable Foundation	880	1,500
Donated services and facilities by the Mercers' Company	86	125
Other	-	4
	866	1,629

3 RESOURCES EXPENDED

a) *Analysis of total resources expended*

	Grant-making	Support costs	Other direct costs	Total 2009	Total 2008
	£'000	£'000	£'000	£'000	£'000
<i>Costs of generating funds</i>					
Investment management costs	-	6	1	7	14
<i>Charitable activities</i>					
Housing for the elderly	-	61	467	528	544
Relief of poverty	9	13	-	22	192
<i>Governance costs</i>					
	9	87	480	576	771

b) *Analysis of support costs*

	Basis of Apportionment	Cost of Generating funds	Housing for the elderly	Relief of poverty	Governance costs	Total 2009	Total 2008
		£'000	£'000	£'000	£'000	£'000	£'000
Staff costs	Staff hours	5	42	7	5	59	85
Office administration	Staff hours	-	2	1	-	3	3
IT & telephone services	Staff hours	1	3	1	1	6	8
Office & meeting facilities	Staff hours	-	14	3	1	18	28
Grant-making database	Value of grants	-	-	1	-	1	1
		6	61	13	7	87	125

EARL OF NORTHAMPTON'S CHARITY

NOTES TO THE ACCOUNTS – 31 MARCH 2009 (continued)

3 RESOURCES EXPENDED (continued)

c) Analysis of governance costs

	2009	2008
	£'000	£'000
Audit fees	9	7
Staff and support costs	7	10
Other	3	4
	<u>19</u>	<u>21</u>

There were no employees who received emoluments exceeding £60,000. The average number of staff during the period was 4 (2008: 4 staff). The Trustee has not received any emoluments or reimbursements during the period (2008: nil). No Trustee indemnity insurance costs have been paid by the Charity. Please see note 14 for detailed analysis of almshouse running costs.

The pension scheme for the staff employed by the Charity is managed by the Mercers' Company. Contributions of £10,000 were made to the fund in 2009 (2008: £16,000). The scheme is a defined benefit, multi-employer scheme, encompassing staff at the almshouses and also other entities administered by The Mercers' Company. The employer is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis and so the disclosures that follow relate to the Scheme overall.

The latest deficit/surplus calculated under FRS 17 with in the accounts of The Mercers' Company to 31 December 2008 showed a deficit of nil (2007: nil). The deficit of the Mercers' Company scheme as reported in the triennial Actuarial Valuation of 31 December 2007 was £7.184 million; however, the Trustees hold leases on certain properties which are not included in the Actuarial Valuation in arriving at the deficit. These leases, which are unassignable, were valued at £17.6 million as at 31 December 2007 and mitigate the deficit.

The major assumptions used by the Actuary in relation to the Scheme were:

	Year to 31 December		
	2008	2007	2006
	%	%	%
Rate of increase in pensionable earnings	3.7	4.4	4.2
Rate of increase in pensions in payment	2.7	3.4	3.2
Rate of inflation	2.7	3.4	3.2
Rate of discount	6.5	5.9	5.2

The assets in the Scheme and the expected rate of return as advised by the Actuary and measured in accordance with the requirements of FRS17 are:

	Long term rate of return			Year to 31 December		
	expected at					
	2008	2007	2006	2008	2007	2006
	%	%	%	£m	£m	£m
Equities	6.1	6.9	6.9	9.1	12.0	11.5
Bonds	5.1	5.2	5.2	3.9	4.4	4.1
Property	6.1	6.9	6.9	4.5	2.3	3.6
Other (cash)	3.8	3.9	3.9	0.5	-	-
Secured pensions	n/a	n/a	n/a	2.4	3.0	3.2
Total market value of assets				<u>20.4</u>	<u>21.7</u>	<u>22.4</u>
Present value of Scheme liabilities				<u>(20.4)</u>	<u>(21.7)</u>	<u>(22.4)</u>
Surplus in Scheme				<u>-</u>	<u>-</u>	<u>-</u>

EARL OF NORTHAMPTON'S CHARITY

NOTES TO THE ACCOUNTS – 31 MARCH 2009 (continued)

3 RESOURCES EXPENDED (continued)

Movement of surplus during the year:	Year ended 31 December	
	2008 £'000	2007 £'000
Surplus in Scheme at beginning of year	-	-
Movement in year		
Current service cost	(497)	(741)
Contributions	2,219	(1,241)
Past service cost	-	-
Other financial income	164	304
Actuarial (loss)/gain	(1,886)	1,678
Surplus in Scheme at end of year	-	-
Actuarial deficit at 31 December	(4,487)	(2,268)
Attribution of property from the Company	4,487	2,268
Surplus in scheme at end of year	-	-

4 ALMSHOUSE PROPERTY

The properties are shown at their historical cost less depreciation at the rate of 2% per annum after adjusting for the estimated original cost of the land.

	Greenwich - Original Almshouse £'000	Greenwich - New Almshouse £'000	Greenwich - New Almshouse Fixtures £'000	Shotesham - Original Almshouse £'000	Total £'000
<u>Cost</u>					
Balance at 1 April 2008	499	6,363	57	164	7,083
Additions during the period	32	-	-	533	565
Balance carried forward at 31 March 2009	531	6,363	57	697	7,648
<u>Depreciation</u>					
Balance brought forward at 1 April 2008	(22)	(64)	(14)	(15)	(115)
Charge for the period	(2)	(129)	(14)	(1)	(146)
Balance carried forward at 31 March 2009	(24)	(193)	(28)	(16)	(261)
Net book value at 31 March 2009	507	6,170	29	681	7,387
Net book value at 31 March 2008	477	6,299	43	149	6,968

The original almshouse of Trinity Hospital Greenwich is likely to undergo major improvement within the next four years for which preliminary expenditure of £411,000 has been incurred (£32,000 of which has been incurred during the period). These costs have not been depreciated.

The original almshouse at Trinity Hospital Shotesham is being refurbished for which expenditure of £622,000 has been incurred (£433,000 of which has been incurred during the period). These costs have not been depreciated.

EARL OF NORTHAMPTON'S CHARITY

NOTES TO THE ACCOUNTS – 31 MARCH 2009 (continued)

5 INVESTMENT PROPERTY

The estimated market values of the investment properties at the period end are reported as follows:

Property	Opening Balance £'000	Revaluation losses £'000	31 March 2009 £'000
3 Soho Square, London	1,000	(200)	800
Lincoln Court, London SE12	110	(22)	88
	<u>1,110</u>	<u>(222)</u>	<u>888</u>
Historical cost	<u>30</u>		<u>30</u>

The Trustee is of the opinion that the market values at the end of the period are reasonable for the purposes of these accounts.

6 INVESTMENTS

Quoted investments are shown at market value. The change in value during the period analysed by fund is made up as follows:

Funds	Holding	Opening Balance £'000	Additions £'000	Revaluation losses £'000	31 March 2009 £'000
<i>Restricted</i>					
Sinking Fund	Investments (see below)	435	8	(122)	321
<i>Endowment</i>					
	Mercers' Common Investment Fund	11,883	-	(4,133)	7,750
		<u>12,318</u>	<u>8</u>	<u>(4,255)</u>	<u>8,071</u>
Historical cost		<u>9,366</u>			<u>9,324</u>

The Sinking Fund investments were held in units of the following:

Holding	% of portfolio
AXA Framlington UK Select Opp Fund Inc	19%
British Empire Securities & General Trust Plc	16%
RIT Capital Partners PLC	15%
RPIC Market Class A 2003	20%
Schroder UK Alpha Plus	28%
Cash	2%

The Endowment Fund investments were held in units in the Mercers' Common Investment Fund.

All investments are held in the United Kingdom.

EARL OF NORTHAMPTON'S CHARITY

NOTES TO THE ACCOUNTS – 31 MARCH 2009 (continued)

7 DEBTORS

Debtors at the period end are made up as follows:

	2009	2008
	£'000	£'000
Accrued dividends	73	128
Other	109	33
	<u>182</u>	<u>161</u>

8 CREDITORS

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

	2009	2008
	£'000	£'000
Rents received in advance	4	2
Accruals	132	321
	<u>136</u>	<u>323</u>

9 UNRESTRICTED FUNDS

The composition and changes of the Unrestricted Funds during the period are as follows:

	Opening	Net	31 March
	Balance	Movement	2009
	£'000	£'000	£'000
Almshouse properties			
New almshouse at Greenwich	6,342	(143)	6,199
Refurbishment of original almshouses at Shotesham	85	532	617
Current assets	328	(4)	324
	<u>6,755</u>	<u>385</u>	<u>7,140</u>

The undesignated reserves held within the Unrestricted Funds were £324,000 at the period end. The Trustee believes that holding up to six months almshouses running costs is an acceptable level of reserves (i.e. approximately £150,000). It is intended that surplus reserves will be used for the planned improvement of the almshouses.

10 RESTRICTED FUNDS

The Restricted Funds comprise the sinking fund and the rebuilding and extraordinary repair fund. These funds are a requirement of the Charity Commission's Scheme of Management.

A transfer of not less than £4,434.17 per annum is made to the sinking fund to recover the notional losses arising from prior years property transactions and in accordance with a Charity Commission Order of 9 September 1982. The order requires recoupment of £770,000 over a fifty year period from the date of the order. £4,434.17 was transferred from unrestricted funds to the sinking fund during the period.

Transfers to the Rebuilding and Repair Fund are made in accordance with the Scheme of Management and in anticipation of the refurbishment works at Trinity Hospital Greenwich.

Restricted income of £880,000 was received during the year towards the building of the new almshouse at Greenwich. £300,000 was transferred from the restricted fund to unrestricted funds following construction expenditure. The balance of £580,000 remains within the restricted fund in anticipation of the refurbishment of the original almshouses.

EARL OF NORTHAMPTON'S CHARITY

NOTES TO THE ACCOUNTS – 31 MARCH 2009 (continued)

10 RESTRICTED FUNDS (continued)

The composition and changes of the Restricted Funds during the period end are as follows:

	Opening Balance £'000	Net Movement £'000	31 March 2009 £'000
Rebuilding and Repair Fund			
Short term investments	1,627	45	1,672
Current assets	(7)	15	8
	<u>1,620</u>	<u>60</u>	<u>1,680</u>
Sinking Fund			
Investments	435	(114)	321
Current assets	-	-	-
	<u>435</u>	<u>(114)</u>	<u>321</u>
Assets under construction (see note 4)			
<i>Refurbishment of original almshouses at Greenwich</i>	382	33	415
<i>New almshouse at Greenwich</i>			
Restricted income	-	880	880
Expenditure on new almshouse at Greenwich	-	(300)	(300)
Funds available for refurbishment of original almshouses	-	580	580
	<u>382</u>	<u>613</u>	<u>995</u>
	<u>2,437</u>	<u>559</u>	<u>2,996</u>

11 ENDOWMENT FUNDS

The composition and changes of the Endowment Funds during the period end are as follows:

	Opening Balance £'000	Net Movement £'000	31 March 2009 £'000
Almshouse properties	159	(3)	156
Investment properties	1,110	(222)	888
Quoted investments	11,883	(4,132)	7,751
Current assets	4	-	4
	<u>13,156</u>	<u>(4,357)</u>	<u>8,799</u>

The endowment funds were established when the charity was created. These funds are held to generate income to allow the charity to pursue its objects.

EARL OF NORTHAMPTON'S CHARITY

NOTES TO THE ACCOUNTS – 31 MARCH 2009 (continued)

12 CONTINGENT LIABILITIES AND CONTRACTUAL COMMITMENTS

The Charity had no contingent liabilities at the end of the period (2008: nil). Contractual commitments at the end of the period in respect of charitable grants amounted to £21,000 payable in 2010 to 2012 (2008: £21,000).

	2009 £	2010 £	2011 £	2012 £
Commitments outstanding at the start of the period				
Jubilee Almshouses*	1,000	1,000	1,000	-
Trinity Hospital, Castle Rising*	3,000	3,000	3,000	-
Trinity Hospital, Clun*	3,000	3,000	3,000	-
	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>-</u>
Commitments charged to the SOFA during the period	(7,000)	-	-	
Commitments made during the period				
Jubilee Almshouses*	-	-	-	1,000
Trinity Hospital, Castle Rising*	-	-	-	3,000
Trinity Hospital, Clun*	-	-	-	3,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,000</u>
Commitments outstanding at the end of the period	<u>-</u>	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>

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

13 RELATED PARTIES AND CONNECTED CHARITIES

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

Charity of Sir Richard Whittington	Mercers' Company Educational Trust Fund
Charter 600 Charity	Mercers' Company Housing Association
City and Metropolitan Welfare Charity	Second Mercer Trustee Limited
First Mercer Trustee Limited	St Paul's Schools Foundation
Longacre Estates Limited	The Collyer Endowment
Longmartin Properties Limited	The Mercers' Company Charities Common Investment Fund
Maiden Trading Limited	The Mercers' Company Staff Pension Scheme
Mercers' Charitable Foundation	The Mercers' Company Trust Funds
Mercers' Company	

The principal address of the above charities is:

Mercers' Hall
Ironmonger Lane
London EC2V 8HE

£880,000 was received from the Mercers' Charitable Foundation as contribution towards building the new almshouse at Greenwich (2008: £1,500,000).

EARL OF NORTHAMPTON'S CHARITY

NOTES TO THE ACCOUNTS – 31 MARCH 2009 (continued)

14 ALMSHOUSE RUNNING COSTS

Almshouse running costs include the following:

	2009		2008	
	Trinity Hospital Greenwich £'000	Trinity Hospital Shotesham £'000	Trinity Hospital Greenwich £'000	Trinity Hospital Shotesham £'000
Property operating costs	343	40	214	60
Staff and support costs				
Gross salaries	34	9	78	12
National insurance	6	1	8	1
Pensions	8	2	12	4
Other, e.g. training	1	-	2	-
Major repairs and projects	8	-	24	8
Administration and entertainment	13	2	16	3
	<u>413</u>	<u>54</u>	<u>354</u>	<u>88</u>

15 GRANTS

Listed below are the charitable grants made during the period (2008: £173,750):

Jubilee Trust Almshouses	£ 2,000
St Michael's Church Framlingham	250
Trinity Hospital Castle Rising	3,000
Trinity Hospital Clun	4,000
	<u>9,250</u>