THE ERIC WRIGHT CHARITABLE TRUST

England & Wales · Charity number 1002966

Details

Other names	ERIC WRIGHT TRUST
Status	Registered
Legal form	Trust
Registered	1991-05-17
Register	View on the Charity Commission register

Contact

Address	The Eric Wright Charitable Trust c/o THE ERIC WRIGHT GROUP Sceptre House Sceptre Way Bamber Bridge PRESTON
Phone	01772694698
Email	EWCharitableTrust@ericwright.co.uk
Website	ericwright.co.uk/charitable-trust/

Activities

Objects: FOR OR TOWARDS SUCH CHARITABLE PURPOSES AND TO MAKE DONATIONS TO SUCH CHARITABLE BODY TRUST INSTITUTION OR ORGANISATION AT SUCH TIME OR TIMES AND IN SUCH MANNER AS THE TRUSTEES MAY IN THEIR ABSOLUTE DISCRETION THINK FIT

Activities: The Trust is a general purpose charity with a particular interest in supporting young people and the elderly in the North West of England

Classification

- **How:** Makes Grants To Organisations, Provides Buildings/facilities/open Space
- **What:** General Charitable Purposes, Education/training, Disability
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies

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Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£308,912,000	£303,038,000	£113,472,000	0
2023-12-31	£246,818,000	£243,415,000	£103,464,000	0
2022-12-31	£187,034,000	£179,727,000	£105,085,000	0
2021-12-31	£176,787,000	£173,558,000	£92,834,000	0
2020-12-31	£219,531,000	£213,431,000	£81,762,000	0

Trustees

Name	Role	Appointed
Alison Wright		2013-12-11
Catherine Jane Wilson		2020-12-11
HUGH MACDONALD		
Janette Michele Collier		2019-03-20
MICHAEL EDWARD COLLIER		
Martin Newsholme		2020-12-11
Peter Martin		2024-03-27

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THE ERIC WRIGHT CHARITABLE TRUST

England & Wales - Charity number 1002966

Accounts

REGISTERED CHARITY NUMBER: 1002966

REPORT OF THE TRUSTEES AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 FOR THE ERIC WRIGHT CHARITABLE TRUST

Fairhurst
Statutory Auditor
Chartered Accountants
Douglas Bank House
Wigan Lane
Wigan
Lancashire
WN1 2TB

THE ERIC WRIGHT CHARITABLE TRUST

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for the Year Ended 31 December 2024

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TRUSTEES REPORT
for the Year Ended 31 December 2024

The Trustees present their report with the financial statements of the Charity for the year ended 31 December 2024. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity was established by deed on the 23 April 1990. The Trust was granted charitable status on 17 May 1991 as a general charitable trust with registered charity number 1002966.

Organisational structure

The Trustees meet at least four times a year to agree strategic direction, receive reports from staff, approve budgets and finance reports and endorse new policies as well as changes to existing policies. The Trustees are also members of key Sub-Committees that meet periodically throughout the year to discuss Finance, Investment and Governance, Charitable Giving and Remuneration. The day-to-day responsibility for the Eric Wright Charitable Trust rests with a board of trustees who use professional advice and support where required.

Recruitment and appointment of new trustees

The power to appoint new trustees is vested in the settlor, Eric Wright, during his lifetime and, following his death, in Alison Wright, a Trustee of the Charity. New trustees are appointed as and when required and determined by the current trustee body and the needs of the Charity in consultation with the settlor.

One new trustee was appointed during the year. When appointing new trustees, the trustees seek to address the issue of any skill and knowledge gap within their body.

Induction and training of new trustees

New trustees will be subject to training as required by their previous experience. Ongoing training is provided to the existing trustees as required.

Related parties

The Charity is related to its subsidiaries, Water Park Limited and Henmead Limited, and in turn all of Henmead's subsidiaries, and also to the Eric Wright Learning Foundation, a charitable company limited by guarantee of which the Trust is a member and provides the majority of its funding.

Conflicts of interest

The Trust operates in accordance with its Conflict of Interest policy. From time to time the Charity may make grants to organisations with whom one or more of its Trustees is connected, typically as a Trustee or member of staff. The Trustees make every effort to ensure that decisions on these grants are made at arms-length, and in accordance with their policy for dealing with potential conflicts of interest.

Risk management

The Trustees have examined the major strategic, business and operational risks which the Charity faces and confirms that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks. The principal risks identified by the Trustees relate to financial controls, risk management within the operating subsidiaries, and investment. The policies in relation to financial controls and risk management are reviewed on an annual basis. In relation to investments, the Trustees review these in conjunction with investment advisors on a quarterly basis.

Financial Controls: The Trustees operate on a day-to-day basis in accordance with their financial controls policy, which is formally reviewed and updated on an annual basis.

Operating Subsidiaries: There are detailed procedures in place in relation to risk management within the operating subsidiaries. In the case of Water Park Limited, the directors meet three times a year as a Board and provide operational and financial reports to the Trustees on a biannual basis. In the case of Henmead Limited and its subsidiaries, the directors of these operational boards meet on a monthly basis and provide operational and financial reports to the Trustees on a quarterly basis. There are also a number of reserved matters that require the consent of the Trustees before they can be implemented by the operational boards of Henmead Limited and its subsidiaries. The Trustees meet with the auditors of Henmead Limited and of its operating subsidiaries at their June meeting to receive their annual audit report and discuss any recommendations arising, which informs the Trustees' approach to ongoing risk management within that operating subsidiary. The Finance Sub-Committee consisting of four Trustees meet with the auditors of the Eric Wright Charitable Trust at their September meeting to receive their annual audit report.

Investments: The Trustees receive quarterly reports from their Investment advisors, who also present an annual report in person at the Trustees' sub-committee meeting to give their advice and address any matters.

In addition to the above, the Trustees formally review risk management on an annual basis.

Charity Commission Governance Code
The Trustees have taken note of and followed the Charity Commission Governance Code where appropriate.

Remuneration
No Trustees are remunerated by the Charity. The Charity does not have any employees.

OBJECTIVES AND ACTIVITIES

Grant Making Policy
The Eric Wright Charitable Trust is a general charitable trust with unrestricted objects. However, the Trustees have prioritised donations to charitable activities based in the North West of England within the following sectors:

- Youth Development
- Elderly Care
- Education and Training
- Carers' Support Services
- Health Support Services
- Community and Voluntary Service Organisations
- Mental Health
- Child and Family Support

Procedures and policy for grant making
The Trustees operate the following Grants Programmes referred to as the Charitable Giving Strategy:

- a Major Grants programme for grants equal to and exceeding £25,000, typically for medium-sized charities. Charitable organisations are invited to apply for these following an initial review and meeting with one or more of the Trustees. Application for a Major Grant is by invitation only and by way of a formal Grant Application Form stating, inter alia, how the funds would be used, what would be achieved, how results would be measured, and providing constitutional and financial information. In response to donee requests, in 2023 the Trustees introduced a pilot initiative to provide multi-year funding to a small number of charities on the Grants Programme. These charities are now entering into the third year of the grant award and are reporting on their current successes as a result of the multi-year funding.

- a Community Grants programme for grants between £5,000 and £25,000, typically for small to medium sized charities. Charitable organisations are invited to apply for these following an initial review and meeting with one or more of the Trustees. Application for a Community Grant is by invitation only and by way of a formal Grant Application Form stating how the funds would be used and providing constitutional and financial information.

- a Small Grants Programme for grants under £5,000, typically for small charities. Applications are made in the first instance by letter or via the Trust's website and are subject to such requirements as the Trustees believe are appropriate in relation to the nature of the applicant organisation and the size of the grant.

The Trustees deal with approvals under each Grant Programme in the manner they believe is appropriate to that Grant Programme.

Public Benefit
The Trustees confirm that they have had due regard to the Charity Commission's general guidance on public benefit in planning future strategy, developing grant-making policy and in making grants. The Trustees believe that the Charity achieves significant social benefit through the following activities:

- its operation of the Water Park facility, the public benefit of which is considered below
- its membership of the Eric Wright Learning Foundation, the public benefit of which is considered below
- its grant-making strategy, which aims at providing funding for charities, typically small and medium sized operating in the North West of England, which the Trustees believe provide a wide range of public benefit, with particular emphasis on the health, well-being and education of local residents and the development of local communities.

However, given that the Trust has unrestricted objects, the Trustees retain full discretion to make grants for any charitable purpose as they see fit, depending upon the circumstances.

Significant activities
The activities of the Charity are set out below.

ACHIEVEMENT AND PERFORMANCE

Charitable activities for the public benefit
During the year, the Trust continued to operate in furtherance of the objectives stated above. Its principal activities were as follows:

Water Park Outdoor Pursuits Centre
Water Park is an outdoor pursuit centre owned by the Trust on Coniston Water in the Lake District aimed at helping young people, many from disadvantaged backgrounds, to spend time in a wholly different learning environment and assist their self-development. The centre does this by providing tailored and progressive outdoor adventurous experiences which develop confidence, raise self-esteem and increase an awareness of self, others and the environment. The progressive adventure approach accompanied by visiting teachers' collaboration will ensure a Water Park visit delivers the maximum life enrichment available through outdoor adventurous activities. The teachers from the respective schools stay with the children and frequently comment on the positive impact that the stay at Water Park has had. Comments include:

- Improves young people's ability to work together and tolerate others
- Their resilience and perseverance is improved
- Young people who may struggle academically are allowed to shine in this different environment
- The opportunity to escape from a challenging home life and to be a child for a week is immeasurable

The educational benefit of such courses can be seen from the fact that many bookings are return visits from schools who now see a visit to Water Park as an integral part of the broader curriculum.

The operation of Water Park is undertaken through a wholly owned subsidiary, Water Park Limited, the company responsible for running the centre. Day to day management and operation of the centre is delegated to a management team who, in turn, report to Water Park Limited.

Subsidies from the Trust are available for individuals or groups who cannot afford to attend. Applications for a subsidy are considered in accordance with guidelines established and are periodically reviewed by the Trustees in order to ensure objectivity. This approach enables support to be focused towards groups or individuals where the need is greatest.

In the year to 31 December 2024, the total operating cost for Water Park was £1,484,000 (2023: £1,262,000). It is not envisaged that Water Park Limited will generate an operating surplus in the foreseeable future and as a consequence the Trustees have factored an ongoing financial commitment in support of the subsidiary into the reserves policy. During the financial year under review the Trust provided funding of £1,180,000 to Water Park Limited.

The Trustees are satisfied that the Water Park facility meets the Charity Commission's guidance on public benefit.

TRUSTEES REPORT
for the Year Ended 31 December 2024

The Eric Wright Learning Foundation
The Trust is a member of the Eric Wright Learning Foundation, a charitable company limited by guarantee, and provides the funding to support its activities. The Learning Foundation aims to:

- inspire young people to be the best they can be
- support progress from early interactions through education and positive learning experiences that reflect a real world environment
- create opportunities for meaningful careers through relationships with industry employers

The Learning Foundation works in partnership with Preston's College to provide vocational training for both the 14-16 and 16-18 learner cohorts in addition to scholarships for 16-18 students across the following trades:

- Brickwork
- Plastering & Joinery
- Painting & Decorating
- Plumbing
- Electrical

Support is provided by the Learning Foundation to 14-16 learners through mentoring, PPE, bursaries, and the opportunity to access apprenticeships or further training. During the financial year under review the Trust provided funding of £67,000 to The Eric Wright Learning Foundation.

Charitable Grant Making Strategy
During 2024, the Trustees delivered their charitable giving strategy by working with a wide number of organisations across the North West of England. Donations of £2,160,000 (2023: £1,728,000) were made to 123 registered charities predominantly working within the sectors listed below.

- Youth Development
- Elderly Care
- Education and Training
- Carers' Support Services
- Health Support Services
- Community and Voluntary Service Organisations
- Child and Family Support
- Mental Health

Examples of some of the projects within these sectors that the Trustees have supported with Major Grants include:

Youth Development: a number of Youth Zones in the North West that provide state of the art facilities for young people. Funding from the Trust has supported the Youth Zones to deliver a variety of initiatives to give young people new skills and experiences to achieve their potential.

Elderly: North West based charities supporting Elderly people were funded to deliver initiatives including information and advice services, activity centres and programmes for elderly people, and initiatives helping service users feel less isolated and more supported in later life.

Mental Health: projects range from supporting young people in school settings and older teenagers with their wellbeing and mental health, to family focused projects and adults with mental health conditions who need additional support with welfare rights and debts.

Carers Support Services: a range of diverse services designed to support carers in various circumstances. Projects include assistance for carers looking after individuals with dementia, and tailored support for young carers responsible for a parent. These services may adopt a whole-family approach, particularly for families affected by parental mental health issues or substance misuse, as well as providing support to families caring for a child with a life-limiting illness.

Health: projects run by charities focused on health care and well-being such as the development of a digital hub and befriending service for visually impaired people, creative support for young people with complex mental health conditions and a programme to support critically unwell children to make positive memories with their families whilst in hospital.

Community and Voluntary Services: The Trustees have worked with a number of CVS organisations across the North West to provide grant funds managed by the local CVS organisation which can be accessed by small grass roots organisations, thereby building community cohesion and reducing social isolation.

FINANCIAL REVIEW

Principal funding sources
The Eric Wright Charitable Trust is funded by donations from Henmead Limited. Income generated by the managed investment portfolio is reinvested within the portfolio.

Investment policy and objectives
There are no restrictions on the Trustees' powers to invest. To the extent that future accumulated reserves exceed the Trust's short to medium-term objectives, the Trustees will be seeking to build reserves to strengthen the long-term sustainability of the Trust as well as to develop the flexibility to fund multi-year grants and larger projects that also meet its criteria.

Investment performance
The Trust has three principal investments in addition to the cash balances retained to fulfil the operational reserves policy. These are the property at High Nibthwaite, Cumbria; the 100% shareholding in Henmead Limited; and a portfolio of investments managed by Brewin Dolphin Investment Managers.

High Nibthwaite
The property is rented out to Water Park Limited at an annual rent of £80,000 per annum, representing a return of 3.6% on the investment. The property is presently valued at £2,500,000 and is subject to three-yearly revaluations, last valued with an effective date of 31st December 2023.

Henmead Limited
The Trust is sole shareholder of Henmead Limited, a subsidiary company with a net book value of £101,428,000. Financial results for Henmead Limited are published separately.

Managed Investment Portfolio
The managed investment portfolio was valued at £3,886,000 as at 31st December 2024. The Trustees have appointed professional investment advisors who advise on investment policy and strategy and asset allocation. The Trustees have aligned the investment risk profile with other charitable organisations and are confident that the investment strategy will serve the Trust well.

Reserves policy
It is the policy of the Trust to maintain cash funds at a level that will match committed expenditure. The reserves include a minimum of two years' committed expenditure at any one time and incorporate the multi-year grant programme, enabling the Trust to honour its commitments and make future pledges.

Under the terms of the Trust Deed, the General Fund is expendable at the Trustees' discretion. All unexpended funds are therefore held in the General Fund. The Trustees intend to continue monitoring the value of the General Fund in real terms to ensure that they are able to achieve both income and capital appreciation so as to maintain the existing level of charitable giving for the foreseeable future. At the year end the value of reserves held was £113,472,000.

Going concern
After making enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing the financial statements.

PLANS FOR FUTURE PERIODS

The current Charitable Giving Strategy will conclude at the end of 2025 and the Trustees will continue to evolve the strategy in preparation for implementing a new strategy in 2026.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number
1002966

Principal address
Sceptre House
Sceptre Way
Bamber Bridge
Preston
Lancashire
PR5 6AW

Trustees
M E Collier
H J MacDonald
A Wright
J M Collier
M Newsholme
C J Wilson
P Martin (appointed 27/03/2024)

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors
Fairhurst Audit Services Ltd
Statutory Auditor
Chartered Accountants
Douglas Bank House
Wigan Lane
Wigan
Lancashire
WN1 2TB

Bankers
Royal Bank of Scotland PLC
Corporate Service Centre
PO Box 2027 Parklands
De Havilland Way
Bolton
BL6 4YU

TRUSTEES REPORT
for the Year Ended 31 December 2024

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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 Charity and of the incoming resources and application of resources, including the income and expenditure, of the Charity for that period. In preparing those financial statements, the Trustees are required to

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the Board of Trustees on 27/10/2025 and signed on its behalf by:

H MacDonald

H J MACDONALD
Trustee

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF THE ERIC WRIGHT CHARITABLE TRUST

Opinion

We have audited the financial statements of The Eric Wright Charitable Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the Introduction to the Financial Statements, Group Statement of Financial Activities, the Group and Charity Balance Sheet, the Group Cash Flow Statement and related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 December 2024 and of its 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 Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE ERIC WRIGHT CHARITABLE TRUST

Matters on which we are required to report by exception
In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- the 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.

Responsibilities of trustees
As explained more fully in the Statement of Trustees Responsibilities, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements
We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances on non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework within which the Charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011, Financial Reporting Standard 102 and the Charities Statement of Recommended Practice (SORP).

We identified the greatest risk of material impact on the financial statement from irregularities, including fraud, to be the override of controls by management and the completeness of income. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing of journals and reviewing accounting estimates for biases, reading minutes of those charged with governance and designing audit procedures to test the timing of income.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with accounting standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with al laws and regulations.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE ERIC WRIGHT CHARITABLE TRUST

Fairhurst Audit Services Ltd is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an 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 Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Fairhurst

Fairhurst Audit Services Ltd
Statutory Auditor
Douglas Bank House
Wigan Lane
Wigan
Lancashire
WN1 2TB

Date: 27th October 2025.

THE ERIC WRIGHT CHARITABLE TRUST

INTRODUCTION TO THE FINANCIAL STATEMENTS

for the Year Ended 31 December 2024

The Eric Wright Charitable Trust (the Charity) owns Water Park Limited and Henmead Limited, the latter being a group of non-charitable trading companies operating in the property and construction industry. Water Park Limited and Henmead Limited are wholly owned subsidiaries and, as required by charitable law, are consolidated into charitable accounts as presented in the Financial Statements on the subsequent pages.

The Statement of Financial Activities for the Charity has been reproduced below to present the activities of the Charity prior to the consolidation of the subsidiary companies (Henmead Limited and Water Park Limited).

	2024	2023
	£000	£000
INCOME AND ENDOWMENTS FROM:		
Donations and legacies	**3,634**	3,326
Investment income	**347**	255
	3,981	3,581
EXPENDITURE ON:		
Raising funds	**212**	223
Charitable activities:		
Financial assistance to Water Park Ltd	**1,106**	893
Grant to institutions other than Water Park Ltd	**2,160**	1,728
	3,478	2,844
Operating surplus	**503**	737
Net gains/(losses) on investments	**9,505**	(2,358)
NET MOVEMENT IN FUNDS	**10,008**	(1,621)

A proportion of the profits from Henmead Limited (which trades through the Eric Wright Group of Companies) are donated annually to the Eric Wright Charitable Trust. The Charity uses the donation from Henmead Limited to support local charities as outlined in the Charitable Giving Strategy contained within the Trustees Report and listed in Note 10 of the accounts. Surpluses are invested in a managed share portfolio to provide future stability and fulfilment of the Charity's objectives.

THE ERIC WRIGHT CHARITABLE TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 December 2024

	Notes	**2024 Total funds**	2023 Total funds
		£'000	£'000
INCOME AND ENDOWMENTS FROM			
Donations and legacies	3	**2**	1
Commercial trade operation	4	**308,262**	246,272
Charitable activities			
Third party fee income paid to Water Park	5	**380**	371
Investment income	6	**268**	174
Total incoming resources		**308,912**	246,818
RESOURCES EXPENDED			
Costs of generating funds			
Raising funds	7	**48**	45
Commercial trade operation	8	**299,260**	240,281
Charitable activities	9		
Grants to other Charitable bodies		**2,160**	1,728
Costs of operating Water Park and governance activities		**1,570**	1,361
Total resources expended		**303,038**	243,415
Gain/(loss) on revaluation of investment property		**851**	(1,405)
Net gain on investments		**321**	197
NET INCOME		**7,046**	2,195
Other recognised gains/(losses)			
Re-measurement of the net defined benefit liability		**167**	(121)
Share of comprehensive income/(loss) of joint ventures & associates		**2,421**	(3,239)
Effective portion of changes in fair value of cash flow hedge		**578**	(625)
Deferred tax on other comprehensive (loss)/income		**(204)**	169
		2,962	(3,816)
Total income/(loss) for the year		**10,008**	(1,621)
RECONCILIATION OF FUNDS			
Total funds brought forward		**103,464**	105,085
TOTAL FUNDS CARRIED FORWARD		**113,472**	103,464

THE ERIC WRIGHT CHARITABLE TRUST

CONSOLIDATED BALANCE SHEET
At 31 December 2024

	Notes	2024 Total funds	2023 Total funds
		£'000	£'000
FIXED ASSETS			
Intangible assets	15	**1,393**	1,605
Tangible assets	16	**11,982**	5,183
Investments			
Investments	17	**17,964**	14,020
Investment property	18	**87,433**	89,410
		118,772	110,218
CURRENT ASSETS			
Stocks	19	**29,563**	31,366
Debtors	20	**98,790**	90,411
Cash at bank		**25,448**	21,514
		153,801	143,291
CREDITORS			
Amounts falling due within one year	21	**(111,668)**	(102,892)
NET CURRENT ASSETS		**42,133**	40,399
TOTAL ASSETS LESS CURRENT LIABILITIES		**160,905**	150,617
CREDITORS			
Amounts falling due after more than one year	22	**(40,996)**	(39,481)
PROVISIONS FOR LIABILITIES			
Deferred tax liability	26	**(4,250)**	(5,176)
Pensions and similar obligations	27	**(2,142)**	(2,467)
Other provisions	28	**(45)**	(29)
NET ASSETS		**113,472**	103,464
FUNDS	29		
Unrestricted funds		**113,472**	103,464
TOTAL FUNDS		**113,472**	103,464

The financial statements were approved by the Board of Trustees on 27/10/2025 and were signed on its behalf by:

H MacDonald

H J MACDONALD
Trustee

THE ERIC WRIGHT CHARITABLE TRUST

TRUST BALANCE SHEET
31 December 2024

	Notes	2024 Total funds	2023 Total funds
		£'000	£'000
FIXED ASSETS			
Tangible assets	16	**15**	17
Investments			
Investments	17	**105,314**	95,742
Investment property	18	**2,500**	2,500
		107,829	98,259
CURRENT ASSETS			
Debtors	20	**407**	262
Cash at bank		**5,365**	5,214
		5,772	5,476
CREDITORS			
Amounts falling due within one year	21	**(129)**	(271)
NET CURRENT ASSETS		**5,643**	5,205
TOTAL ASSETS LESS CURRENT LIABILITIES		**113,472**	103,464
NET ASSETS		**113,472**	103,464
FUNDS	29		
Unrestricted funds		**113,472**	103,464
TOTAL FUNDS		**113,472**	103,464

The financial statements were approved by the Board of Trustees and authorised for issue on 27/10/2025 and were signed on its behalf by:

H MacDonald

H J MACDONALD
Trustee

THE ERIC WRIGHT CHARITABLE TRUST

CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 December 2024

	Notes	2024 £'000	2023 £'000
Cash flows from operating activities:			
Cash generated from operations	1	**15,492**	656
Tax paid		**(2,157)**	(35)
Net cash received from operating activities		**13,335**	621
Cash flows from investing activities:			
Purchase of intangible fixed assets		**-**	(290)
Purchase of tangible fixed assets		**(7,185)**	(1,278)
Purchase of fixed asset investments		**(1,564)**	(3,133)
Purchase of investment property		**(6,672)**	(794)
Sale of tangible fixed assets		**13,355**	5,929
Repayment of loans		**3,048**	3,822
New loans		**(135)**	(52)
Interest received		**177**	98
Dividends received		**513**	345
Net cash provided by investing activities		**1,537**	4,647
Cash flows from financing activities:			
Loan repayments in year		**(10,689)**	(6,507)
(Decrease)/Increase in directors' loan		**(249)**	1,061
Net cash used in financing activities		**(10,938)**	(5,446)
Change in cash and cash equivalents in the reporting period		**3,934**	(178)
Cash and cash equivalents at the beginning of the reporting period	2	**21,514**	21,692
Cash and cash equivalents at the end of the reporting period	2	**25,448**	21,514

THE ERIC WRIGHT CHARITABLE TRUST

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 December 2024

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024 £'000	2023 £'000
Net income for the reporting period (as per the statement of financial activities)	**10,008**	(1,621)
Adjustments for:		
Depreciation charges	**595**	477
Gain on investments	**(320)**	(197)
Interest received	**(177)**	(98)
Dividends received	**(90)**	(76)
Revaluation of investment properties and listed investments	**(853)**	1,405
Operating profit of joint ventures & associates	**(4,233)**	(3,562)
Profit on disposal of investment property and fixed assets	**(2,350)**	(215)
Taxation	**1,383**	(388)
Decrease/(increase) in stocks	**1,803**	(11,042)
Increase in trade and other debtors	**(9,205)**	(8,062)
Increase in trade and other creditors	**22,280**	20,667
Other Comprehensive Income	**(2,962)**	3,816
Movement in Provision	**(387)**	(448)
Net cash generated from operating activities	**15,492**	656

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2024 £'000	2023 £'000
Cash & cash equivalents	**25,448**	21,514
Total cash and cash equivalents	**25,448**	21,514

1. ACCOUNTING POLICIES

The Eric Wright Charitable Trust ("the Trust) is a Charitable Trust registered and domiciled in the UK. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. Judgements made by the Trustees, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed later in accounting policies under the title 'Accounting estimates and judgements'.

1.1 Basis of preparing the financial statements

The financial statements of the Charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

All amounts in the financial statements have been rounded to the nearest £1,000.

1.2 Going concern

The Trust's activities are set out on the Trustees' report set out on pages 2 to 7. The financial position of the Trust is set out in the balance sheet on page 15. The financial risk and management of financial risk is explained in the Trustees' report.

The Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Consideration of going concern for subsidiary entities is made at Henmead level and the Trustees agree with the conclusion formed.

1.3 Income

Income from charitable activities is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of the income can be reliably measured.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the groups objectives, as well as any support costs.

Grants payable are charged in the year when payment is made or an unconditional offer is made. Grants offered subject to conditions which have not been met at the year end are noted within the reserves note as a commitment, but not accrued as expenditure.

Expenditure is inclusive of irrecoverable VAT, where appropriate.

1. ACCOUNTING POLICIES – continued

1.5 Basis of consolidation

The consolidated financial statements include the financial statements of the Charity and its subsidiary undertakings made up to 31 December 2024. A subsidiary is an entity that is controlled by the Charity. The results of subsidiary undertakings are included in the consolidated statement of financial activities from the date that control commences until the date that control ceases. Control is established when the Charity has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Henmead Limited group of companies referred to as Group, takes into consideration potential voting rights that are currently exercisable. The Henmead Limited group of companies is controlled by the Charity, consequently the gross income and expenditure from its operations are presented on the Statement of Financial Activities for both the current and the comparative period.

An associate is an entity in which the Group has significant influence, but not control, over the operating and financial policies of the entity. Significant influence is presumed to exist when the investor holds between 20% and 50% of the equity voting rights.

A joint venture is a contractual arrangement undertaking in which the Group exercises joint control over the operating and financial policies of the entity. Where the joint venture is carried out through an entity, it is treated as a jointly controlled entity. The Group's share of the profits less losses of associates and of jointly controlled entities is included in the consolidated statement of financial activities and its interest in their net assets is recorded on the balance sheet using the equity method. Where there is no obligation, commitment or guarantee by the group to fund the joint venture operations or make payments on behalf of the investees and there is no intention to in the future, then the share of net liabilities recognised in the group consolidated balance sheet is restricted to the value of the investment made by the group.

Where a group company is party to a joint venture which is not an entity, that company accounts directly for its share of the income and expenditure, assets, liabilities and cash flows. Such arrangements are reported in the consolidated financial statements on the same basis.

1.6 Basis of preparing the financial statements

In the consolidated financial statements, investments in subsidiaries, jointly controlled entities and associates are carried at cost less impairment. In the accounts of the Trust, the investments in subsidiaries are carried at Net Asset Value.

1.7 Turnover

Turnover in respect of trading activities is included in "other income" within income on the Statement of Financial Activities.

Turnover is stated net of VAT. In respect of the contracting activities, turnover represents the value of work done in the year including estimates of amounts not invoiced and adjustments relating to prior years which have been agreed during the year. In respect of the commercial development activities, turnover represents the sale of property recognised on completion. With regard to forward funded commercial schemes, revenue is recorded equivalent to the level of costs incurred. Where development management services are performed, revenue is recognised in line with the completion of performance obligations throughout the duration of the contract. Development management fees are recognised as they are earned or in line with contractual milestones. In respect of the residential development activity turnover is recognised on completion of property sales.. In respect of the Public Private Partnership and management activities turnover represents the value of services supplied during the year. Rental income is recognised on a straight-line basis over the associated lease term.

All amounts are derived within the United Kingdom.

1. ACCOUNTING POLICIES – continued

1.8 Classification of financial instruments issued by the group

In accordance with FRS 102.22, financial instruments issued by the group are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the group; and

(b) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

1.9 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in preference and ordinary shares

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognised in the Statement of Financial Activities. Other investments are measured at cost less impairment in the Statement of Financial Activities.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Charity's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Finance lease debtors

At the commencement of the lease term, a finance lease is recorded in the balance sheet as a receivable, at an amount equal to the net investment in the lease.

The net investment in a lease is the gross investment in the lease discounted at the interest rate implicit in the lease.

The gross investment in the lease is the aggregate of:

- The minimum lease payments receivable under a finance lease; and
- Any unguaranteed residual value accruing to the company.

Initial direct costs (costs that are incremental and directly attributable to negotiating and arranging a lease) are included in the initial measurement of the finance lease receivable and reduce the income recognised over the lease term.

Finance income is recognised based on a pattern reflecting a constant periodic rate of return on the net investment outstanding in respect of the finance lease.

1. ACCOUNTING POLICIES – continued

1.10 Other financial instruments

Financial instruments not considered to be Basic financial instruments (Other financial instruments)
Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in the Statement of Financial Activities except as follows:

- investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment; and
- hedging instruments in a designated hedging relationship shall be recognised as set out overleaf.

Derivative financial instruments and hedging
Within the Trust no derivative financial instruments exist however, the below represents those derivative financial instruments that occur in the Henmead group accounts and are included in the Trust accounts on consolidation.

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

1.11 Hedge accounting

Fair value hedges
Within the Trust no fair value hedges exist however, the below represents those fair value hedges that occur in the Henmead group accounts and are included in the Trust accounts on consolidation.

Where a derivative financial instrument is designated as a hedge of the variability in fair value of a recognised asset or liability or an unrecognised firm commitment, all changes in the fair value of the derivative are recognised immediately in the Statement of Financial Activities. The carrying value of the hedged item is adjusted by the change in fair value that is attributable to the risk being hedged (even if it is normally carried at cost or amortised cost) and any gains or losses on remeasurement are recognised immediately in the income statement (even if those gains would normally be recognised directly in reserves). If hedge accounting is discontinued and the hedged financial asset or liability has not been derecognised, any adjustments to the carrying amount of the hedged item are amortised into the Statement of Financial Activities using the effective interest method over the remaining life of the hedged item.

Cash flow hedges
Within the Trust no cash flow hedges exist however, the below represents those cash flow hedges that occur in the Henmead group accounts and are included in the Trust accounts on consolidation.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in other comprehensive income. Any ineffective portion of the hedge is recognised immediately in the Statement of Financial Activities.

For cash flow hedges, where the forecast transactions resulted in the recognition of a non-financial asset or non-financial liability, the hedging gain or loss recognised in other recognised losses is included in the initial cost or other carrying amount of the asset or liability. Alternatively, when the hedged item is recognised in profit or loss the hedging gain or loss is reclassified to the Statement of Financial Activities. When a hedging instrument expires or is sold, terminated or exercised, or the entity discontinues designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

1. ACCOUNTING POLICIES - continued

1.12 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described below.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the Statement of Financial Activities on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- Freehold buildings	1% on cost
- Leasehold land and buildings	1 - 4% on cost
- Plant, machinery and scaffolding	15% on reducing balance
- Fixtures and fittings	15% on reducing balance
- Motor vehicles	25% on reducing balance
- Computer equipment	33% on cost

Computer equipment is included in fixtures and fittings in note 16. Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the group expects to consume an asset's future economic benefits.

1.13 Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the entity.

At the acquisition date, the group recognises goodwill as:
- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

FRS 102.35 granted certain exemptions from the full requirements of FRS 102 in the transition period. The Group elected not to restate business combinations that took place prior to 1 January 2014. In respect of acquisitions prior to 1 January 2014, goodwill is included on the basis of its deemed cost, which represents the amount recorded under old UK GAAP. Intangible assets previously included in goodwill, are not recognised separately.

1. ACCOUNTING POLICIES - continued

1.14 Intangible assets

Within the Trust no intangible assets exists however, the below represents intangible assets that occurs in the Henmead group accounts.

Intangible assets relate to computer software which is stated at cost less accumulated amortisation. Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful life which is 10 years.

1.15 Stock and work in progress

Stock and work in progress is stated at the lower of cost and net realisable value. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

1.16 Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition

i. investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in the Statement of Financial Activities in the period that they arise; and

ii. no depreciation is provided in respect of investment properties applying the fair value model.

1.17 Construction contract debtors

Within the Trust accounts no construction contract debtors exist however, the below represents those construction contract debtors that occur in the subsidiary accounts.

Amounts recoverable on long term contracts represents the gross unbilled amount for contract work performed to date. They are measured at cost plus profit recognised to date (see the revenue accounting policy) less a provision for foreseeable losses and less progress billings. Variations are included in contract revenue when they are reliably measurable and it is probable that the customer will approve the variation itself and the revenue arising from the variation. Claims are included in contract revenue only when they are reliably measurable and negotiations have reached an advanced stage such that it is probable that the customer will accept the claim. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the entity's contract activities based on normal operating capacity.

Amounts recoverable on long term contracts are presented as part of trade debtors in the balance sheet. If payments received from customers exceed the income recognised, then the difference is presented as payments on account in the balance sheet.

1. ACCOUNTING POLICIES - continued

1.18 Impairment excluding stocks, investment properties and deferred tax assets

Financial assets (including trade and other debtors)
A financial asset not carried at fair value through the Statement of Financial Activities is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment, an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in the Statement of Financial Activities. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the Statement of Financial Activities.

Non-financial assets
Within the Trust accounts no non-financial assets exist however, the below represents those non-financial assets that occur in the subsidiary accounts.

The carrying amounts of the entity's non-financial assets, other than investment property, stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire group of entities into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Financial Activities. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1. ACCOUNTING POLICIES - continued

1.19 Employee benefits

Defined contribution plans and other long term employee benefits
A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The amount charged to the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting period. Differences between contributions payable in the year and contributions actually paid are shown as either other creditors or prepayments in the balance sheet.

Defined benefit plans
Within the Trust no defined benefit plans exist however, the below represents those defined benefit plans that occur in the Henmead group accounts and included in the Trust accounts on consolidation.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The entity's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The entity determines the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dates approximating, to the terms of the entity's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in the Statement of Financial Activities.

Remeasurement of the net defined benefit liability is recognised in other comprehensive income in the period in which it occurs.

1.20 Provisions
A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Trust enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability in its individual financial statements until such time as it becomes probable that the company will be required to make a payment under the guarantee.

1. ACCOUNTING POLICIES - continued

1.21 Expenses

Operating lease
Payments (excluding costs for services and insurance) made under operating leases are recognised in the Statement of Financial Activities on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Finance lease
Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Interest receivable and Interest payable
Interest payable and similar charges include interest payable, finance charges and finance leases recognised in the Statement of Financial Activities using the effective interest method and unwinding of the discount on provisions that are recognised in the Statement of Financial Activities.

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains. Interest income and interest payable are recognised in the Statement of Financial Activities as they accrue, using the effective interest method. Dividend income is recognised in the Statement of Financial Activities on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.22 Taxation

The Trust is exempt from taxation in respect of income or capital gains, to the extent that such income or gains are applied exclusively to charitable purposes.

Tax on the profit or loss for the year for trading subsidiaries comprises current and deferred tax. Tax is recognised in the statement of financial activities except to the extent that it relates to items recognised directly in equity or other gains and losses, in which case it is recognised directly in equity or other gains and losses.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, associates and joint ventures to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1. ACCOUNTING POLICIES - continued

1.23 Fund accounting

All funds are held within unrestricted reserves, which are available for use at the discretion of the Trustees in furtherance of the charitable objectives of the Group.

2. ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) Key sources of estimation uncertainty in applying the Group's accounting policies
Preparation of the financial statements requires the Trustees to make estimates. The items across the group statements where these estimates have been made include:

Contract turnover, Amounts recoverable on contracts and provisions
The amount of profit attributable to the stage of completion of a long-term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty however there is inherent judgement in this assessment. Turnover for such contracts is stated by reference to the costs incurred as a proportion of the total anticipated contract costs, less amounts recognised in previous years. Where the outcome cannot be reasonably foreseen, revenue is recognised to the extent of costs expensed as incurred. Amounts recoverable on contracts represent the gross unbilled amount for contract work performed to date. Provision is made for any losses as soon as they are foreseen. The provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Life cycle provision

The Eric Wright Group has contractual obligations to maintain properties owned by LIFT entities and other third parties over the lives of those assets. The receipts are under contract however the timing and quantum of costs differs resulting in a provision on the balance sheet. Due to the duration of the life cycle contracts, there is uncertainty regarding the timing and extent of the costs required to maintain the assets and judgement is therefore required in order to assess sufficiency.

Trade debtors
Held within trade debtors are contract trade debtors that represent billed amounts for contract work performed to date. Contract trade debtors are regularly reported and monitored to ensure the full amount is recovered. Provision is made for doubtful debts.

Defect period provision

During the prior year, new legislation was introduced which resulted in an extension to the limitation period within the Building Safety Act. This created the potential for future liabilities on a small number of buildings which were constructed in the past 30 years. A provision for future costs has been calculated based on the information currently available, consequently £0.9m has been included within accruals.

(b) Critical accounting judgements in applying the Group's accounting policies
Certain critical accounting judgements (apart from those involving estimations included above) in applying the Group's accounting policies are described below.

Investment property
Investment properties are initially recognised at cost. Subsequent to initial recognition investment properties whose fair value can be measured reliably are held at fair value. Whilst the investment properties are valued by external experts, there are a number of judgements adopted in respect of items such as yield and lease renewals which affect the overall valuation.

Loans to joint ventures
Loans to joint ventures are initially recognised at cost. The loans are reviewed annually for impairment via a review of the joint ventures cash flow forecast, which incorporates assumptions. No impairment is recognised as future trading and cash flow forecasts demonstrate the joint ventures have sufficient funds to meet repayment of the loans as they fall due.

2. ACCOUNTING ESTIMATES AND JUDGEMENTS - continued

Investments in joint ventures
To the extent that the Henmead group have no legal or constructive obligation to fund the share of historic losses recognised in the joint ventures the value of the investment is restricted to the value of the investments made.

Classification of financial instruments
Financial instruments (see note 25) are recognised initially at fair value. Subsequent to initial recognition financial instruments are measured at fair value with changes recognised in the Statement of Financial Activities. Where the financial instrument falls under the classification of hedging instruments and is in a designated hedging relationship the effective part of any gain or loss on the derivative financial instrument is recognised directly in other gains and losses. Any ineffective portion of the hedge is recognised immediately in the Statement of Financial Activities. The assessment of hedge effectiveness requires judgement.

Defined benefit plan
The Group's net obligation in respect of defined benefit plans is calculated each year by a qualified Actuary and using the estimates set out in note 27. Full provision for the liability is recognised in the Group accounts.

3. DONATIONS AND LEGACIES

The grant income can be represented as:

	2024	2023
	£'000	£'000
Other	**2**	1

4. COMMERCIAL TRADE OPERATIONAL INCOME

	2024 £'000	2023 £'000
Group turnover	**291,774**	232,278
Other operating income – rental income	**5,603**	5,461
Profit on disposal of investment property	**2,350**	215
Share of profit in Joint Ventures	**4,233**	3,562
Interest receivable and similar income	**4,302**	4,756
	308,262	246,272

Commercial trade operational income relates to the Henmead Limited group of companies.

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2024 £'000	2023 £'000
Water Park fees received	Third party fee income paid to Water Park	**380**	371

6. INVESTMENT INCOME

	2024 £'000	2023 £'000
Other fixed asset investment	**91**	76
Deposit account interest	**177**	98
	268	174

7. RAISING FUNDS

Other trading activities

	2024	2023
	£'000	£'000
Purchases	**48**	45

8. COMMERCIAL TRADE OPERATIONAL EXPENDITURE

	2024	2023
	£'000	£'000
Cost of sales	**267,340**	212,408
Administrative expenses	**27,446**	24,430
Interest payable and similar expenses	**3,092**	3,831
Tax on profit on ordinary activities	**1,382**	(388)
	299,260	240,281

Commercial trade operational expenditure relates to the Henmead Limited group of companies.

9. CHARITABLE ACTIVITIES COSTS

	Direct costs	Grant funding of activities (See note 10)	Support costs (See note 11)	Totals
	£'000	£'000	£'000	£'000
Costs of operating Water Park	1,081	2	275	1,358
Governance costs	-	-	212	212
Grants to other Charitable bodies	-	2,160	-	2,160
	1,081	2,162	487	3,730

10. GRANTS PAYABLE

	2024	2023
	£'000	£'000
Grants to other Charitable bodies	2,160	1,728

	2024	2023
	£'000	£'000
Grants paid to institutions other than Water Park Limited are categorised into the following sectors:		
Health	**551**	295
Youth	**307**	280
Council for Voluntary Services	**278**	270
Mental Health	**274**	222
Elderly	**251**	145
Carers	**202**	159
Child and Family Support	**184**	270
Education & Training	**80**	75
Other	**33**	12
	2,160	1,728

11. CHARITABLE SUPPORT COSTS

Support costs, included in the above, are as follows:

Governance costs

	2024	2023
	£'000	£'000
Recharge of administrative resources	**153**	103
Auditors' remuneration	**18**	15
Accountancy and legal fees	**40**	102
Trustees and sundry expenses	**1**	2
	212	222

Audit fees across the group are disclosed as:

	2024	2023
	£'000	£'000
Trust auditor (Fairhurst):		
Audit of Trust and Water Park subsidiary	**18**	15
Henmead Limited auditor:		
Audit of Henmead Limited financial statements	**8**	7
Audit of financial statements of subsidiaries of Henmead Limited	**194**	184
Taxation advisory services	**10**	45
	230	251

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits payable by the Trust for the year ended 31 December 2024 nor for the year ended 31 December 2023.

However, during the year two Trustees received benefits for their former role as a director of two of the non-charitable trading subsidiaries (2023: two). One Trustee also received remuneration for supplying ad hoc professional advisory services to subsidiaries within the Henmead Limited group (2023: one).

Trustees' expenses

During the year Trustees were reimbursed a total of £592 (2023: £772) to cover out of pocket expenses.

Directors' remuneration and key management personnel

During the year Directors' and key management personnel of the Henmead group were compensated for their services as follows:

	2024	2023
	£'000	£'000
Directors' remuneration	**2,209**	1,823
Benefits in kind	**4**	4
Company contributions to money purchase pension plans	**96**	38
	2,309	1,865

Information regarding the highest paid director is as follows:

	2024	2023
	£'000	£'000
Remuneration	**1,213**	903

Retirement benefits are accruing to two (2023: one) director under a defined contribution scheme.

The remuneration of the Directors of Henmead Limited is disclosed above.
The additional remuneration of the Directors of Eric Wright Group Limited (key management personnel) is set out below.

	2024	2023
	£'000	£'000
Key management personnel remuneration	**1,158**	1,175

13. STAFF NUMBERS AND COSTS

The average number of persons employed by the Group (including Trustees) during the year, analysed by category, was as follows:

	2024	2023
	No.	No.
Direct labour	**460**	394
Administration	**499**	473
	959	867

The aggregate payroll costs of these persons were as follows:

	2024	2023
	£'000	£'000
Wages and salaries	**40,676**	36,632
Social security costs	**3,892**	3,735
Contributions to defined contribution plans	**4,348**	3,941
	48,916	44,308

14. TAXATION

During the year no tax was directly payable by the Trust. Taxation was paid by subsidiary entities and is disclosed in note 8.

15. INTANGIBLE ASSETS

Group	**Software**
	£'000
COST	
At 1 January 2024	2,111
Additions	-
At 31 December 2024	2,111
AMORTISATION	
At 1 January 2024	506
Amortisation charge for year	212
At 31 December 2024	718
NET BOOK VALUE	
At 31 December 2024	**1,393**
At 31 December 2023	1,605

Trust
The trust does not hold any goodwill or intangible assets.

16. TANGIBLE FIXED ASSETS

Group	Freehold property £'000	Long leasehold £'000	Plant and machinery £'000
COST			
At 1 January 2024	4,039	1,061	2,851
Additions	6,164	300	621
Transfer	(361)	-	361
Disposals	-	-	(45)
At 31 December 2024	9,842	1,361	3,788
DEPRECIATION			
At 1 January 2024	403	360	2,264
Charge for year	34	25	209
Eliminated on disposal	-	-	(37)
At 31 December 2024	437	385	2,436
NET BOOK VALUE			
At 31 December 2024	**9,405**	**976**	**1,352**
At 31 December 2023	3,636	701	587

	Fixtures and fittings £'000	Motor vehicles £'000	Totals £'000
COST			
At 1 January 2024	2,303	397	10,651
Additions	100	-	7,185
Transfers	-	-	-
Disposals	(5)	-	(50)
At 31 December 2024	2,398	397	17,786
DEPRECIATION			
At 1 January 2024	2,133	308	5,468
Charge for year	86	24	378
Eliminated on disposal	(5)	-	(42)
At 31 December 2024	2,214	332	5,804
NET BOOK VALUE			
At 31 December 2024	**184**	**65**	**11,982**
At 31 December 2023	170	89	5,183

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 December 2024

16. TANGIBLE FIXED ASSETS - continued

Land and buildings

The net book value of land and buildings in tangible fixed assets and investment properties comprises:

	2024	2023
	£'000	£'000
Freehold	**77,769**	63,359
Long leasehold	**19,922**	29,437
Short leasehold	**123**	701
	97,814	93,497

Trust	**Fixtures and fittings**
	£'000
COST	
At 1 January 2024 and 31 December 2024	204
DEPRECIATION	
At 1 January 2024	187
Charge for year	2
At 31 December 2024	189
NET BOOK VALUE	
At 31 December 2024	**15**
At 31 December 2023	17

17. FIXED ASSET INVESTMENTS

Group	**Loans to Joint Ventures £000**	**Interests in Joint Ventures £000**	**Investment in associates £000**	**Investments Other £000**	**Share portfolio £000**	**Cash and settlements pending £000**	**Total £000**
COST OR MARKET VALUE							
At 1 January 2024	12,864	1,499	1	25	3,443	56	17,888
Additions	-	-	-	-	775	789	1,564
Disposals	-	-	-	-	(699)	(798)	(1,497)
New loans provided	135	-	-	-	-	-	135
Repayment of loans	(3,048)	-	-	-	-	-	(3,048)
Revaluation	-	-	-	2	320	-	322
Share of profit/(loss)	-	4,989	-	-	-	-	4,989
At 31 December 2024	9,951	6,488	1	27	3,389	47	20,353
PROVISTIONS							
At 1 January 2024	(3,868)	-	-	-	-	-	(3,868)
Movement in provision	1,479	-	-	-	-	-	1,479
At 31 December 2024	(2,389)	-	-	-	-	-	(2,389)
NET BOOK VALUE AT 31 DECEMBER 2024	**7,562**	**6,488**	**1**	**27**	**3,839**	**47**	**17,964**
At 31 December 2023	8,996	1,499	1	25	3,443	56	14,020

17. FIXED ASSET INVESTMENTS - continued

Trust

	Share portfolio £'000	Unlisted investments £'000	Cash and settlements pending £'000	Totals £'000
FAIR VALUE				
At 1 January 2024	3,443	92,243	56	95,742
Additions	775	-	789	1,564
Disposals	(699)	-	(798)	(1,497)
Revaluations	320	9,185	-	9,505
At 31 December 2024	3,839	101,428	47	105,314
NET BOOK VALUE				
At 31 December 2024	**3,839**	**101,428**	**47**	**105,314**
At 31 December 2023	3,443	92,243	56	95,742

There were no investment assets outside the UK.

The Trust's investments in unlisted companies at the balance sheet date were:

Company	Percentage holding	Country of incorporation	Nominal value £
Henmead Limited	100	England	100
Water Park Limited	100	England	1

18. INVESTMENT PROPERTY

	2024 £'000 Group	2024 £'000 Trust
FAIR VALUE		
At 1 January 2024	**89,410**	**2,500**
Additions	**6,672**	**-**
Disposals	**(9,500)**	**-**
Net surplus from fair value adjustments	**851**	**-**
At 31 December 2024	**87,433**	**2,500**
NET BOOK VALUE		
At 31 December 2024	**87,433**	**2,500**
At 31 December 2023	89,410	2,500

All investment properties are held at fair value. With the exception of the asset held by the Trust, all group assets were valued at 1 November 2024 at market value on the basis of existing use by Avison Young or Cushman and Wakefield, Chartered Surveyors, external independent valuers, having an appropriate recognised professional qualification (The Royal Institute of Chartered Surveyors) and recent experience in the location and class of property being valued. The investment asset held by the Trust was valued on the same basis, but as at 31 December 2023. Although the trust asset is used by Water Park Limited (a subsidiary company) for the furtherance of the Trust's charitable activities, the Trustees have deemed that it is correct for it to be classified as an investment property in the consolidated accounts as it is their policy to revalue the asset on a regular basis.

19. STOCKS

	Group 2024 £000	Group 2023 £000	Trust 2024 £000	Trust 2023 £000
Work in progress	**29,563**	31,366	**-**	-
	29,563	31,366	**-**	-

The write-down of stocks to net realisable value through cost of sales amounted to £nil (*2023:* £65,000).

20. DEBTORS

	Group 2024 £000	Group 2023 £000	Trust 2024 £000	Trust 2023 £000
Amounts falling due within one year				
Finance lease debtor receivable	**2,628**	2,353	**-**	-
Trade debtors	**26,196**	20,545	**-**	-
Amounts recoverable on long term contracts	**27,295**	23,805	**-**	-
Amounts due from subsidiaries	**-**	-	**299**	208
Corporation tax	**180**	216	**-**	-
VAT	**-**	-	**4**	-
Prepayments	**5,700**	4,867	**103**	54
Deferred tax	**692**	1,011	**-**	-
Financial Instruments	**-**	471	**-**	-
Other debtors	**4,450**	4,437	**1**	-
	67,141	57,705	**407**	262
Due after more than one year				
Finance lease debtor receivable	**27,803**	30,590	**-**	-
Trade debtors	**3,846**	2,116	**-**	-
	98,790	90,411	**407**	262

Amounts owed by subsidiaries are non-interest bearing and repayable on demand. Within debtors due after one year are trade debtors in relation to retentions receivable on contracts after more than one year.

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2024 £000	Group 2023 £000	Trust 2024 £000	Trust 2023 £000
Bank loans and overdraft	**1,892**	14,610	**-**	-
Payments on account	**14,848**	12,350	-	-
Trade creditors	**50,996**	34,171	-	-
Amounts due to subsidiaries	-	-	**45**	30
Taxation and social security	**9,969**	7,669	-	59
Other creditors	**19,805**	19,928	-	-
Accruals and deferred income	**7,660**	7,417	**84**	182
Director's loan accounts	**6,498**	6,747	-	-
	111,668	102,892	**129**	271

Included within directors' loan accounts due within one year are loans due to R E Wright (Director). Amounts due to R E Wright are £6,498,000 (2023: £6,747,000). The maximum amount outstanding in the year to R E Wright was £7,097,000 (2023: £6,747,000).

Within other creditors is a provision of £867,000 (2023: £3,036,000) in relation to an onerous development contract. This provision will be utilised in full by April 2025.

Within accruals there is a reserve of £870,000 (2023: £970,000) in relation to potential defects as a result of the changes to the liability period imposed by the Building Act 2022.

Amounts owed to subsidiaries by the Trust are non-interest bearing and repayable on demand.

22. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2024 £000	Group 2023 £000	Trust 2024 £000	Trust 2023 £000
Bank loans	**35,468**	33,441	**-**	-
Deferred Income	**5,372**	4,835	-	-
Financial instruments	**156**	1,205	-	-
	40,996	39,481	**-**	-

Details on financial instruments are included in note 25.

23. INTEREST-BEARING LOANS AND BORROWING

This note provides information about the contractual terms of Henmead's interest-bearing loans and borrowings, which are measured at amortised cost.

	2024 £'000	2023 £'000
Loans and overdrafts can be analysed as falling due:		
In one year or less	**1,892**	14,610
Between one and two years	**6,851**	12,493
Between two and five years	**14,361**	4,888
In five years or more	**14,256**	16,060
	37,360	48,051

23. INTEREST-BEARING LOANS AND BORROWINGS – continued

	2024	2023
	£'000	£'000
Creditors falling due in more than one year		
Secured bank loans	**35,468**	33,441

Bank loans are secured on certain investment properties of Eric Wright Group Limited, a subsidiary of Henmead Limited, and other group companies.

All financial liabilities are denominated in UK pounds sterling. The financial liabilities carry floating rates of interest, based upon market rates prevailing at the time. Some of these financial liabilities have been swapped to a fixed interest rate.

Interest rate swaps, denominated in pounds sterling have been entered into to protect the maximum interest expense to which the Group is exposed. These swaps with an underlying debt value of £30,393,000 (*2023:* £33,584,000) enable the Group to swap floating rate liabilities on loans to a fixed rate liability. The period of these swap arrangements ranges from 1 to 13 years as at 31 December 2024. This capped the maximum interest payable by the Group to December 2024 at 5.87%.

The interest paid by the Group on its bank floating rate liabilities was at a rate of SONIA plus a margin of 2% (2023: SONIA plus 2% to 2.7%).

Terms and debt repayment schedule

Group	**Currency**	**Nominal interest rate**	**Year of maturity**	**Repayment schedule**	**2024 £000**	2023 £000
Term loan 1	£ GBP	SONIA + 2.7%	2029	Amortising	**9,900**	12,400
Revolving Credit Facility	£ GBP	SONIA + 2%	2025	Revolving Credit Facility	**5,000**	11,000
Debenture loans	£ GBP	SONIA + 2%	2026	Subordinated debt	**67**	67
Term loan 2	£ GBP	SONIA + 1%	2024	Amortising	**-**	664
Term loan 3	£ GBP	SONIA + 0.97%	2030	Amortising	**3,438**	3,965
Term loan 4	£ GBP	SONIA + 2.1%	2037	Amortising	**18955**	19,955
					37,360	48,051

Following a refinance completed in December 2024, Term loan 1 is an amortising 5 year term loan with annual capital repayments of £400,000. The residual £8m loan will fall due for final repayment in December 2029.

The Revolving Credit Facility ("RCF") is drawn for a fixed period, agreed in advance with the bank. The RCF is either repaid at the end of the fixed period or the period extended. The RCF is due to be refinanced in January 2026, and the discussions have commenced with a view to completing the refinance in Autumn 2025. The available facility is £30m subject to the value of charged assets.

The debenture loan is unsecured and no redemption date has been set.

The term loans 2-4 are repaid bi-annually and full repayment will be made by the expiry date and relate to the Group's PFI arrangement.

24. OTHER FINANCIAL LIABILITIES

	Group 2024 £000	Group 2023 £000	Trust 2024 £000	Trust 2023 £000
Liabilities				
Amounts falling due after more than one year				
Other financial liabilities designated as fair value through other comprehensive income	**156**	1,205	-	-
	156	1,205	-	-

	Group 2024 £000	Group 2023 £000	Trust 2024 £000	Trust 2023 £000
Assets				
Amounts recoverable after more than one year				
Other financial assets designated as fair value through other comprehensive income	-	471	-	-
	-	471	-	-

25. FINANCIAL INSTRUMENTS

(a) Carrying amount of financial instruments

The carrying amounts of the financial assets and liabilities include:

	Notional amount £'000	Maturity year	Fixed rate %	Fair value 2024 £'000	Fair value 2023 £'000
Liabilities measured at amortised cost					
Interest rate swap 1	-	2024	5.865	-	(2)
Interest rate swap 2	3,381	2030	5.400	(100)	(206)
Interest rate swap 3	18,936	2037	4.400	(56)	(997)
				(156)	(1,205)

	Notional amount £000	Maturity Year	Fixed Rate %	Fair value asset 2024 £000	Fair value asset 2023 £000
Assets measured at amortised cost					
Interest rate swap 4	9,000	2024	0.545	-	471
Interest rate swap 5	8,000	2029	4.006	-	n/a
				-	471

25. FINANCIAL INSTRUMENTS – continued

(b) Financial instruments measured at fair value

Derivative financial instruments

The fair value of interest rate swap and interest rate caps is based on broker quotes. Those quotes are tested for reasonableness by comparing against prior year valuations, market interest rates and valuations for similar instruments at the measurement date.

(c) Hedge accounting

To hedge the potential volatility in future interest cash flows arising from movements in SONIA, the Group has entered into swap agreements with RBS, the Bank of Tokyo Mitsubishi, Santander and Co-operative Bank. These result in the Group paying the floating interest rate and receiving and/or paying a fixed interest rate on the swaps. This effectively fixes the interest cost on the loans.

The derivatives are accounted for as a hedge of variable interest rate risks, in accordance with FRS 102. The cash flows arising from the interest rate swaps will continue until their maturity, coinciding with the repayment of the loans.

The following table indicates the periods in which the cash flows associated with cash flow hedging instruments are expected to occur as required by FRS 102.29(a) for the cash flow hedge accounting models:

	2024						2023					
	Carrying Amount £000	**Expected cash flows £000**	**1 year or less £000**	**1 to <2years £000**	**2 to <5years £000**	**5 years and over £000**	Carrying amount £000	Expected cash flows £000	1 year or less £000	1 to <2years £000	2 to <5years £000	5years and over £000
Interest rate swaps:												
Liabilities	**30,317**	**11,984**	**1,691**	**1,673**	**4,407**	**4,213**	33,545	12,031	1,637	1,463	3,756	5,175
	30,317	**11,984**	**1,691**	**1,673**	**4,407**	**4,213**	33,545	12,301	1,637	1,463	3,756	5,175

The change in fair value in the period is recognised in other comprehensive income as the swaps were 100% effective hedges.

(d) Fair values

The amounts for all financial assets and financial liabilities carried at fair value are as follows:

	Fair value	Fair value
	2024	2023
	£'000	£'000
Interest rate swaps – liabilities	**(156)**	(1,205)
Interest rate swaps – assets	**-**	471
	(156)	(734)

26. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are attributable to the following:

Held in provisions for liabilities and charges	**Group 2024 £000**	Group 2023 £000	**Trust 2024 £000**	Trust 2023 £000
At 1 January	**5,176**	5,610	**-**	-
Profit and loss account credit	**(853)**	(395)	**-**	-
Amount recognised in other comprehensive income	**(73)**	(39)	**-**	-
At 31 December	**4,250**	5,176	**-**	-

26. DEFERRED TAX ASSTES AND LIABILITIES - continued

Held in debtors	**Group 2024 £000**	Group 2023 £000	**Trust 2024 £000**	Trust 2023 £000
At 1 January	**1,011**	894	**-**	-
Profit and loss accounts charge	**(42)**	(13)	-	-
Amount recognised in other comprehensive income	**(277)**	130	**-**	-
At 31 December	**692**	1,011	-	-

Deferred tax liability	**Group 2024 £000**	Group 2023 £000	**Trust 2024 £000**	Trust 2023 £000
Accelerated capital allowances	**3,588**	3,520	**-**	-
Other timing differences	**245**	193	**-**	-
Short term timing differences financial instruments	**(25)**	48	**-**	-
Other short term timing differences	**442**	1,415	**-**	-
	4,250	5,176	-	-

Deferred tax asset	**2024 £000**	2023 £000	**2024 £000**	2023 £000
Accelerated capital allowances	**10**	25	**-**	-
Other timing differences	**132**	120	**-**	-
Short term timing differences relating to pension provision	**536**	617	**-**	-
Short term timing differences - financial instruments	**14**	249	**-**	-
	692	1,011	-	-

27. EMPLOYEE BENEFITS

Henmead Limited operates a pension scheme providing benefits to a finite number of long serving retired employees based on an ex-gratia pension determined by the Chairman. The pension scheme has no assets and the pension scheme liability is recognised in full in the balance sheet and detailed below.

The information disclosed below is in respect of the whole of the plan and for which Henmead Limited is legally responsible.

Net pension liability	**2024 £'000**	2023 £'000
Defined benefit obligation	**2,142**	2,467
Net pension liability	**2,142**	2,467

Movements in present value of defined benefit obligation	**2024 £'000**	£'000
At 1 January	**2,467**	2,482
Interest expense	**133**	112
Remeasurement: actuarial (gains)/losses	**(167)**	121
Benefits paid	**(291)**	(248)
At 31 December	**2,142**	2,467

27. EMPLOYEE BENEFITS - continued

Expense recognised in the SOFA	**2024 £'000**	2023 £'000
Net interest on net defined benefit liability	**133**	112
Total expense recognised in the SOFA	**133**	112

Principal actuarial assumptions (expressed as weighted averages) at the year-end were as follows:

	2024 %	2023 %
Discount rate	**5.4**	4.5

The last full actuarial valuation was performed on 31 December 2024. The amount for the current and four previous periods are as follows:

	2024 £000	2023 £000	2022 £000	2021 £000	2020 £000
Present value of scheme liabilities	**(2,142)**	(2,467)	(2,482)	(3,594)	(4,104)
Experience adjustments on scheme liabilities	**167**	(121)	985	296	(367)

In valuing the liabilities of the pension fund at 31 December 2024, mortality assumptions have been made as indicated below.

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality table and include an allowance for future improvements in longevity.

The assumptions are equivalent to expending a 75 year old to live for a number of years as follows:

	2024 Years	2023 Years
Female	**15**	15
Male	**13**	13

Defined contribution plans

Group

The Group operates a number of defined contribution pension plans.

The total expense relating to these plans in the current year was £4,273,000 (2023: £3,879,000) and the amount due to the scheme at the year-end is £511,000 (2023: £376,000) and is included in other creditors.

28. OTHER PROVSIONS

Other provisions represent a dilapidation provision for a property operated by the Trust.

Included within the Water Park accounts are provisions for lease dilapidation of £45,000 (2023: £29,000).

29. MOVEMENT IN FUNDS

	At 1/1/24 £'000	Net movement in funds £'000	Transfer between funds £'000	At 31/12/24 £'000
Unrestricted funds				
General fund	100,697	10,058	-	110,755
Designated funds	2,767	(50)	-	2,717
	103,464	10,008	-	113,472
TOTAL FUNDS	**103,464**	10,008	-	113,472

Net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
Unrestricted funds				
General fund	308,912	(302,988)	4,134	10,058
Designated fund	-	(50)	-	(50)
TOTAL FUNDS	308,912	(303,038)	4,134	10,008

Comparatives for movement in funds

	At 1/1/23 £'000	Net movement in funds £'000	Transfer between funds £'000	At 31/12/23 £'000
Unrestricted funds				
General fund	102,818	(1,871)	(250)	100,697
Designated fund	2,267	250	250	2,267
TOTAL FUNDS	105,085	(1,621)	-	103,464

29. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
Unrestricted funds				
General fund	246,818	(243,415)	(5,274)	(1,871)
Designated fund	-	-	250	250
TOTAL FUNDS	246,818	(243,415)	(5,024)	(1,621)

The designated fund reflects the value of the property, which has been designated for the use of the Water Park, and the grant received for the purchase of certain fixed assets, which is being released in line with the depreciation of the fixed assets purchased.

During 2010 a donation was received towards the costs of Stoves. This was transferred to a separate designated fund. Depreciation of the Stoves in Water Park Limited accounts are covered by a grant paid out of the Stoves Designated Fund.

During 2012 a donation was received towards the fit-out costs of the Wright Lodge Building. This was transferred to a separate designated fund. Depreciation of the fit-out costs in Water Park Limited accounts are covered by a grant paid out of the Fit Out Designated Fund.

In 2023, the remaining reserves held within the Stoves and Wright Lodge funds were transferred into the General fund by the agreement of the board.

30. LEASING AGREEMENTS

Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Group 2024 £000	Group 2023 £000	**Trust 2024 £000**	Trust 2023 £000
Less than one year	**2,003**	1,946	-	-
Between one and five years	**3,438**	3,952	-	-
More than five years	**15,817**	19,767	-	-
	21,258	25,665	-	-

During the year £1,939,000 (2023: £1,513,000) was recognised as an expense in the Statement of Financial Activities in respect of operating leases.

30. LEASING AGREEMENTS -continued

Leases as lessor

The investment properties held by Henmead Limited are let under operating leases. The future minimum lease payments receivable under non-cancellable leases are as follows:

	Group 2024 £000	Group 2023 £000	**Trust 2024 £000**	Trust 2023 £000
Less than one year	**6,314**	6,093	-	-
Between one and five years	**18,314**	18,774	-	-
More than five years	**20,713**	51,702	-	-
	45,341	76,569	-	-

There are no individual material leasing arrangements requiring disclosure.

Finance leases

Leases as lessor

The Group has finance leases in connection with its PFI arrangements. The minimum lease receivable payment receivable at the end of the reporting period are as follows:

	Minimum lease receivable 2024 £000	**Interest 2024 £000**	**Principal 2024 £000**	Minimum lease receivable 2023 £000	Interest 2023 £000	Principal 2023 £000
Within one year	**5,035**	**2,407**	**2,628**	4,941	2,588	2,353
Greater than one year and less than two years	**4,951**	**2,195**	**2,756**	5,056	2,386	2,670
Greater than two years and less than five years	**12,037**	**5,440**	**6,597**	13,057	5,926	7,131
Greater than five years	**24,419**	**5,969**	**18,450**	28,303	7,514	20,789
	46,442	**16,011**	**30,431**	51,357	18,414	32,943

31. COMMITMENTS

The Group and the Trust have no contractual commitments to purchase tangible fixed assets at either the current or prior year-end.

In respect of interests in Jointly Controlled Entities, the Group and the Trust have no commitment to incur capital expenditure at either the current or prior year end.

32. CONTINGENT LIABILITIES

There is a cross guarantee in place in relation to the Group's Revolving Credit Facility between a number of Group companies. This is supported by a first legal charge over certain Group investment properties.

33. RELATED PARTY DISCLOSURES

Related parties
The following is the identity of related parties of the Group.

Company/entity	Portion of ordinary shares held	
Subsidiary undertakings		
Henmead Limited*	100%	
Eric Wright Group Limited	100%	
Eric Wright Construction Limited	100%	
Eric Wright Partnerships Limited	100%	
Eric Wright Civil Engineering Limited	100%	
Maple Grove Developments Limited	100%	
Eric Wright Investments Limited	100%	Dormant
Maple Grove Investments Limited	100%	
Stonecross Enterprises Limited	100%	
Elltech Limited	95%	
Sceptre Nursery Limited	100%	
Eric Wright Commercial Limited	100%	Dormant
Skemtech Limited	95%	
Fleetwood PPP Limited	100%	
Cobco 494 Limited	100%	
Cobco 450 Limited	100%	
Eric Wright FM Limited	100%	
Eric Wright Homes Limited	100%	
Maple Grove Residential Limited	100%	
Applethwaite Limited	100%	
Eric Wright Developments	100%	Dormant
Eric Wright Water Limited	100%	
EWGN Blackpool PSP Limited	80%	Dormant
Blackpool LEP Limited	64%	
Highfield PFI Holdco Limited	72%	Dormant
Highfield PFI SPV Limited	72%	
Samlesbury Developments Limited	100%	Dormant
Wrightcare Holdings Limited	100%	
Wrightcare Developments Limited	100%	
Wrightcare Clitheroe Limited	100%	
Joint ventures		
Foundation for Life Limited	60%	
Leigh Holdco Limited	60%	Dormant
Leigh Fundco Limited	60%	
Pacific Shelf 888 Limited	60%	
Pemberton Care Limited	60%	
Pinco 2033 Limited	60%	
Pinco 2206 Limited	60%	
Pimco 2401 Limited	60%	
FFL Capital Projects Limited	60%	Dormant
East Lancashire Building Partnership Limited	60%	
Blackburn Holdco Limited	60%	Dormant
Blackburn Fundco Limited	60%	
Rossendale LIFT Limited	60%	
Pinco 2223 Limited	60%	
Pimco 2297 Limited	60%	
Inhoco 2952 Limited	60%	
Pimco 2451 Limited	60%	
East Lancashire Capital Projects Limited	60%	
Brahm LIFT Limited	60%	

33. RELATED PARTY DISCLOSURES – continued

Company/entity	Portion of ordinary shares held	
Joint ventures		
Brahm Intermediate Holdco 1 Limited	60%	Dormant
Brahm Fundco 1 Limited	60%	
Brahm Intermediate Holdco 2 Limited	60%	Dormant
Brahm Fundco 2 Limited	60%	
Bolton Holdco 1 Limited	60%	Dormant
Bolton Fundco 1 Limited	60%	
Brahm Capital Projects Limited	60%	Dormant
Regional and Local Education Partnership Limited	26%	Dormant
Tri link 140 Holdings 1 LLP	50%	
Tri Link 140 Holdings 2 LLP	50%	
Winsford Holdings 1 LLP	50%	
Winsford Holdings 2 LLP	50%	
Holbeck Homes (Cartmel) Limited	50%	
Associates		
Deeside Regeneration Limited	24.9%	

All companies are registered and operate in England and Wales and principal activities are either building, contracting, civil engineering or property development. The registered addresses of the related parties are available in the accounts of each of the entities, which are available from Companies House.

* Eric Wright Charitable Trust directly owns the share capital of this entity. All remaining share capital, apart from Water Park Limited (which is directly owned) is owned indirectly through subsidiary undertakings.

Related party transactions

	Henmead shareholding	Goods and services supplied		Balance outstanding at the end of the year	
		2024	2023	**2024**	2023
		£000's	£000's	**£000's**	£000's

During the year subsidiaries of Henmead Limited supplied construction services to the following companies in which the Group has an interest. These services were provided by Eric Wright Construction Limited.

Blackpool Local Education Partnership Limited	64%	-	-	-	-

During the year subsidiaries of Henmead Limited supplied hard FM services to the following companies in which Eric Wright Group Limited has an interest. These services were provided by Eric Wright FM Limited.

Blackburn Fundco Limited	60%	469	453	-	-
Bolton Fundco 1 Limited	60%	589	595	-	-
Brahm Fundco 1 Limited	60%	1,310	1,172	**21**	-
Brahm Fundco 2 Limited	60%	995	894	**19**	-
Highfield PFI SPV Limited	72%	787	816	-	-
Inhoco 2952 Limited	60%	1,240	1,189	**47**	-
Leigh Fundco Limited	60%	454	405	**170**	170
Pacific Shelf 888 Limited	60%	69	67	**34**	38
Pemberton Care Limited	60%	160	151	**45**	-
Pimco 2297 Limited	60%	83	72	-	-
Pimco 2401 Limited	60%	278	259	-	-

33. RELATED PARTY DISCLOSURES – continued

Related party transactions

	Henmead shareholding	Goods and services supplied		Balance outstanding at the end of the year	
		2024	2023	**2024**	2023
		£000's	£000's	**£000's**	£000's
Pimco 2451 Limited	60%	620	655	**1**	-
Pinco 2033 Limited	60%	946	902	-	-
Pinco 2206 Limited	60%	575	512	-	-
Pinco 2223 Limited	60%	795	854	-	-
Rossendale Lift Limited	60%	525	492	-	-

During the year subsidiaries of Henmead Limited provided management services to the following companies in which Eric Wright Group Limited has an interest. These services were provided by Eric Wright Partnerships Limited.

Blackburn Fundco Limited	60%	26	24	-	-
Blackpool Local Education Partnership Limited	64%	9	5	-	-
Bolton Fundco 1 Limited	60%	151	145	-	-
Brahm Fundco 1 Limited	60%	255	243	-	-
Brahm Fundco 2 Limited	60%	206	198	-	-
Brahm Lift Limited	60%	15	223	-	-
Inhoco 2952 Limited	60%	371	348	-	-
Leigh Fundco Limited	60%	64	60	-	-
Pacific Shelf 888 Limited	60%	12	11	-	-
Pemberton Care Limited	60%	39	36	-	-
Pimco 2297 Limited	60%	13	12	-	-
Pimco 2401 Limited	60%	91	86	-	-
Pimco 2451 Limited	60%	109	102	-	-
Pinco 2033 Limited	60%	286	268	-	-
Pinco 2206 Limited	60%	146	139	-	-
Pinco 2223 Limited	60%	109	102	-	-
Rossendale Lift Limited	60%	36	34	-	-
East Lancashire Building Partnership Limited	60%	464	267	-	-
Foundation for Life Limited	60%	-	213	-	-

34. ULTIMATE CONTROLLING PARTY

The Trust is under the control of the board of Trustees.

35. POST BALANCE SHEET EVENT

On 28 January 2025, the Group completed the disposal of its entire shareholding in Maple Grove Residential Limited, a wholly owned subsidiary. The transaction was completed on an arms length basis for proceeds equivalent to net assets of the company at the date of disposal.

THE ERIC WRIGHT CHARITABLE TRUST

England & Wales - Charity number 1002966

Accounts

REGISTERED CHARITY NUMBER: 1002966

REPORT OF THE TRUSTEES AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 FOR THE ERIC WRIGHT CHARITABLE TRUST

Fairhurst
Statutory Auditor
Chartered Accountants
Douglas Bank House
Wigan Lane
Wigan
Lancashire
WN1 2TB

THE ERIC WRIGHT CHARITABLE TRUST

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for the Year Ended 31 December 2023

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TRUSTEES REPORT
for the Year Ended 31 December 2023

The Trustees present their report with the financial statements of the Charity for the year ended 31 December 2023. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity was established by deed on the 23 April 1990. The Trust was granted charitable status on 17 May 1991 as a general charitable trust with registered charity number 1002966.

Organisational structure

The Trustees meet at least four times a year to agree strategic direction, receive reports from staff, approve budgets and finance reports and endorse new policies as well as changes to existing policies. The Trustees are also members of key Sub-Committees that meet periodically throughout the year to discuss Finance, Investment and Governance, Charitable Giving and Remuneration. The day-to-day responsibility for the Eric Wright Charitable Trust rests with a board of trustees who use professional advice and support where required.

Recruitment and appointment of new trustees

The power to appoint new trustees is vested in the settlor, Eric Wright, during his lifetime and, following his death, in Alison Wright, a Trustee of the Charity. New trustees are appointed as and when required and determined by the current trustee body and the needs of the Charity in consultation with the settlor.

No new trustees were appointed during the year. When appointing new trustees, the trustees would seek to address the issue of any skill and knowledge gap within their body.

Induction and training of new trustees

New trustees will be subject to training as required by their previous experience. Ongoing training is provided to the existing trustees as required.

Related parties

The Charity is related to its subsidiaries, Water Park Limited and Henmead Limited, and in turn all of Henmead's subsidiaries, and also to the Eric Wright Learning Foundation, a charitable company limited by guarantee of which the Trust is a member and provides the majority of its funding.

Conflicts of interest

The Trust operates in accordance with its Conflict of Interest policy. From time to time the Charity may make grants to organisations with whom one or more of its Trustees is connected, typically as a Trustee or member of staff. The Trustees make every effort to ensure that decisions on these grants are made at arms-length, and in accordance with their policy for dealing with potential conflicts of interest.

Risk management

The Trustees have examined the major strategic, business and operational risks which the Charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks. The principal risks identified by the Trustees relate to financial controls, risk management within the operating subsidiaries, and investment. The policies in relation to financial controls and risk management are reviewed on an annual basis. In relation to investments, the Trustees review these in conjunction with investment advisors on a six-monthly basis.

Financial Controls: The Trustees operate on a day-to-day basis in accordance with their financial controls policy, which is formally reviewed and updated on an annual basis.

Operating Subsidiaries: there are detailed procedures in place in relation to risk management within the operating subsidiaries. In the case of Water Park Limited, the directors meet three times a year as a Board and provide operational and financial reports to the Trustees on a biannual basis. In the case of Henmead Limited and its subsidiaries, the directors of these operational boards meet on a monthly basis and provide operational and financial reports to the Trustees on a quarterly basis. There are also a number of reserved matters that require the consent of the Trustees before they can be implemented by the operational boards of Henmead Limited and its subsidiaries. The Trustees meet with the auditors of Henmead Limited and of its operating subsidiaries at their June meeting to receive their annual audit report and discuss any recommendations arising, which informs the Trustees' approach to ongoing risk management within that operating subsidiary. The Finance Sub-Committee consisting of three Trustees meet with the auditors of the Eric Wright Charitable Trust at their September meeting to receive their annual audit report.

Investments: The Trustees receive quarterly reports from their Investment advisors, who also present their reports in person at the Trustees' meetings in June and December each year to give their advice and address any matters.

In addition to the above, the Trustees formally review risk management on an annual basis.

Charity Commission Governance Code
The Trustees have taken note of and followed the Charity Governance Code where appropriate.

Remuneration
No Trustees are remunerated by the Charity. The Charity does not have any employees.

OBJECTIVES AND ACTIVITIES

Grant Making Policy
The Eric Wright Charitable Trust is a general charitable trust with unrestricted objects. However, the Trustees have prioritised donations to charitable activities based in the North West of England within the following sectors:

- Youth Development
- Elderly Care
- Education and Training
- Carers' Support Services
- Health Support Services
- Community and Voluntary Service Organisations
- Mental Health
- Child and Family Support

Procedures and policy for grant making
The Trustees operate the following Grants Programmes referred to as the Charitable Giving Strategy:

- a Major Grants programme for grants equal to and exceeding £20,000, typically for medium-sized charities. Charitable organisations are invited to apply for these following an initial review and meeting. Application for a Major Grant is by invitation only and by way of a formal Grant Application Form stating, inter alia, how the funds would be used, what would be achieved, how results would be measured, and providing constitutional and financial information. In response to donee requests, in 2023 the Trustees introduced a pilot initiative to provide multi-year funding to a small number of charities on the Grants Programme. The pilot will be monitored with feedback to be obtained from the supported charities.

- a Community Grants programme for grants between £5,000 and £20,000, typically for small to medium sized charities. Charitable organisations are invited to apply for these following an initial review and meeting. Application for a Community Grant is by invitation only and by way of a formal Grant Application Form stating how the funds would be used and providing constitutional and financial information.

- a Minor Grants Programme for grants under £5,000, typically for charities with a turnover of less than £100,000. Applications are made in the first instance via the Trust's website and are subject to such requirements as the Trustees believe are appropriate in relation to the nature of the applicant organisation and the size of the grant.

The Trustees deal with approvals under each Grant Programme in the manner they believe is appropriate to that Grant Programme.

Public Benefit
The Trustees confirm that they have had due regard to the Charity Commission's general guidance on public benefit in planning future strategy, developing grant-making policy and in making grants. The Trustees believe that the Charity achieves significant social benefit through the following activities:

- its operation of the Water Park facility, the public benefit of which is considered below
- its membership of the Eric Wright Learning Foundation, the public benefit of which is considered below
- its grant-making strategy, which aims at providing funding for charities, typically small and medium sized operating in the North West of England, which the Trustees believe provide a wide range of public benefit, with particular emphasis on the health, well-being and education of local residents and the development of local communities.

However, given that the Trust has unrestricted objects, the Trustees retain full discretion to make grants for any charitable purpose as they see fit, depending upon the circumstances.

Significant activities
The activities of the Charity are set out below.

ACHIEVEMENT AND PERFORMANCE

Charitable activities for the public benefit
During the year, the Trust continued to operate in furtherance of the objectives stated above. Its principal activities were as follows:

Water Park Outdoor Pursuits Centre
Water Park is an outdoor pursuit centre owned by the Trust on Coniston Water in the Lake District aimed at helping young people, many from disadvantaged backgrounds, to spend time in a wholly different learning environment and assist their self-development. The centre does this by providing tailored and progressive outdoor adventurous experiences which develop confidence, raise self-esteem and increase an awareness of self, others and the environment. This progressive adventure approach accompanied by visiting teachers' collaboration will ensure a Water Park visit delivers the maximum life enrichment available through outdoor adventurous activities. The teachers from the respective schools stay with the children and frequently comment on the positive impact that the stay at Water Park has had. Comments include:

- *Improves young people's ability to work together and tolerate others*
- *Their resilience and perseverance is improved*
- *Young people who may struggle academically are allowed to shine in this different environment*
- *The opportunity to escape from a challenging home life and to be a child for a week is immeasurable*

The educational benefit of such courses can be seen from the fact that many bookings are return visits from schools who now see a visit to Water Park as an integral part of the broader curriculum.

The operation of Water Park is undertaken through a wholly owned subsidiary, Water Park Limited, the company responsible for running the centre. Day to day management and operation of the centre is delegated to a management team who, in turn, report to Water Park Limited.

Subsidies from the Trust are available for individuals or groups who cannot afford to attend. Applications for a subsidy are considered in accordance with guidelines established, periodically reviewed by the directors in order to ensure objectivity. This approach enables support to be focused towards groups or individuals where the need is greatest.

In the year to 31 December 2023, the total operating cost for Water Park was £1,262,000 (2022: £1,214,000). It is not envisaged that Water Park Limited will generate an operating surplus in the foreseeable future and as a consequence the Trustees have factored an ongoing financial commitment in support of the subsidiary into the Charity's reserves policy. During the financial year under review the Trust provided funding of £930,000 to Water Park Limited.

The Trustees are satisfied that the Water Park facility meets the Charity Commission's guidance on public benefit.

TRUSTEES REPORT
for the Year Ended 31 December 2023

The Eric Wright Learning Foundation
The Trust is a member of the Eric Wright Learning Foundation, a charitable company limited by guarantee, and provides the funding to support its activities. The Learning Foundation aims to:

- inspire young people to be the best they can be
- support progress from early interactions through education and positive learning experiences that reflect a real world environment
- create opportunities for meaningful careers through relationships with industry employers

The Learning Foundation achieves this by working in partnership with Preston's College to provide vocational training for both the 14-16 and 16-18 learner cohorts in addition to scholarships for 16-18 students across the following trades:

- Brickwork
- Plastering & Joinery
- Painting & Decorating
- Plumbing
- Electrical

Support is provided by the Learning Foundation to 14-16 learners through mentoring, PPE, bursaries, and the opportunity to access apprenticeships or further training. During the financial year under review the Trust provided funding of £59,000 to The Eric Wright Learning Foundation.

Charitable Grant Making Strategy
During 2023, the Trustees delivered their charitable giving strategy by working with a wide number of organisations across the North West of England. Donations of £1,728,000 (2022: £2,137,000) were made to 92 registered charities predominantly working within the sectors listed below.

- Youth Development
- Elderly Care
- Education and Training
- Carers' Support Services
- Health Support Services
- Community and Voluntary Service Organisations
- Child and Family Support
- Mental Health

Examples of some of the projects within these sectors that the Trustees have supported with Major Grants include:

Youth Development: a number of Youth Zones in the North West that provide state-of-the-art facilities for young people. Funding from the Trust has supported the Youth Zones to deliver a variety of initiatives to give young people new skills and experiences to achieve their potential.

Elderly: North West based Age UK charities funded to deliver initiatives including information and advice services, activity centres and programmes for elderly people, and initiatives helping service users feel less isolated and more supported in later life.

Mental Health: projects range from supporting young people in school settings and older teenagers with their wellbeing and mental health, to family focused projects and adults with mental health conditions who need additional support with welfare rights and debts.

Carers Support Services: a range of diverse services designed to support carers in various circumstances. Projects include assistance for carers looking after individuals with dementia, and tailored support for young carers responsible for a parent. These services may adopt a whole-family approach, particularly for families affected by parental mental health issues or substance misuse, as well as providing support to families caring for a child with a life-limiting illness.

Health: projects run by charities focused on health care and well-being such as the development of a digital hub and befriending service for visually impaired people, creative support for young people with complex mental health conditions and a programme to support critically unwell children to make positive memories with their families whilst in hospital.

Community and Voluntary Services: the Trustees have worked with a number of CVS organisations across the North West to provide grant funds managed by the local CVS organisation which can be accessed by small grass roots organisations, thereby building community cohesion and reducing social isolation.

FINANCIAL REVIEW

Principal funding sources

The Eric Wright Charitable Trust is funded by donations from Henmead Limited. Income generated by the managed investment portfolio is reinvested within the portfolio.

Investment policy and objectives

There are no restrictions on the Trustees' powers to invest. To the extent that future accumulated reserves exceed the Trust's short to medium-term objectives, the Trustees may seek to build reserves to strengthen the long-term sustainability of the Trust as well as to develop the flexibility to fund larger projects that also meet its criteria.

Investment performance

The Trust has three principal investments in addition to the cash balances retained to fulfil the operational reserves policy. These are the property at High Nibthwaite, Cumbria; the 100% shareholding in Henmead Limited; and a portfolio of investments managed by Brewin Dolphin Investment Managers.

High Nibthwaite

The property is rented out to Water Park Limited at an annual rent of £80,000 per annum, representing a return of 3.2% on the investment. The property is valued at £2,500,000 and is subject to three-yearly revaluations, last valued with an effective date of 31st December 2023.

Henmead Limited

The Trust is sole shareholder of Henmead Limited, a subsidiary company with a net book value of £92,243,000. Financial results for Henmead Limited are published separately.

Managed Investment Portfolio

The managed investment portfolio was valued at £3,499,000 as at 31st December 2023. The Trustees have appointed professional investment advisors who advise on investment policy and strategy and asset allocation. The Trustees have aligned the investment risk profile with other charitable organisations and are confident that the investment strategy will serve the Trust well.

Reserves policy

It is the policy of the Trust to maintain cash funds at a level that will match committed expenditure. The reserves include a minimum of two years' committed expenditure at any one time and incorporate the multi-year grant programme, enabling the Trust to honour its commitments and make future pledges.

Under the terms of the Trust Deed, the General Fund is expendable at the Trustees' discretion. All unexpended funds are therefore held in the General Fund. The Trustees intend to continue monitoring the value of the General Fund in real terms to ensure that they are able to achieve both income and capital appreciation so as to maintain the existing level of charitable giving for the foreseeable future. At the year end the value of reserves held was £103,464,000.

Going concern

After making enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing the financial statements.

PLANS FOR FUTURE PERIODS

The Trustees are satisfied that the current Charitable Giving Strategy will provide the basis and guidance for future grant awards for the next two years. The Trustees will continue to evolve the strategy organically. However, a full review is underway in preparation for implementing a new strategy, which is expected to be rolled out in 2026.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number
1002966

Principal address
Sceptre House
Sceptre Way
Bamber Bridge
Preston
Lancashire
PR5 6AW

Trustees

M E Collier	
A D Sturrock	(retired 28th June 2023)
H MacDonald	
A Wright	
J M Collier	
M Newsholme	
C J Wilson	
P Martin	(appointed 27th March 2024)

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors
Fairhurst
Statutory Auditor
Chartered Accountants
Douglas Bank House
Wigan Lane
Wigan
Lancashire
WN1 2TB

Bankers
Royal Bank of Scotland PLC
Corporate Service Centre
PO Box 2027 Parklands
De Havilland Way
Bolton
BL6 4YU

TRUSTEES REPORT
for the Year Ended 31 December 2023

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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 Charity and of the incoming resources and application of resources, including the income and expenditure, of the Charity for that period. In preparing those financial statements, the Trustees are required to

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the Board of Trustees on 9/10/2024 and signed on its behalf by:

J M COLLIER
Trustee

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF THE ERIC WRIGHT CHARITABLE TRUST

Opinion

We have audited the financial statements of The Eric Wright Charitable Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Trust Balance Sheet, the Consolidated Cash Flow Statement, notes to the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 December 2023 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 Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE ERIC WRIGHT CHARITABLE TRUST

Matters on which we are required to report by exception
In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of trustees
As explained more fully in the Statement of Trustees Responsibilities, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but, is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances on non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework within which the Charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 and the Charities Statement of Recommended Practice (SORP).

We identified the greatest risk of material impact on the financial statement from irregularities, including fraud, to be the override of controls by management and the completeness of income. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing of journals and reviewing accounting estimates for biases, reading minutes of those charged with governance and designing audit procedures to test the timing of income.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with accounting standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with al laws and regulations.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE ERIC WRIGHT CHARITABLE TRUST

Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an 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 Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Fairhurst

Fairhurst
Statutory Auditor
Chartered Accountants (Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006)
Douglas Bank House
Wigan Lane
Wigan
Lancashire
WN1 2TB

Date: 14th October 2024

THE ERIC WRIGHT CHARITABLE TRUST

INTRODUCTION TO THE FINANCIAL STATEMENTS

for the Year Ended 31 December 2023

The Eric Wright Charitable Trust (the Charity) owns Water Park Limited and Henmead Limited, the latter being a group of non-charitable trading companies operating in the property and construction industry. Water Park Limited and Henmead Limited are wholly owned subsidiaries and, as required by charitable law, are consolidated into charitable accounts as presented in the Financial Statements on the subsequent pages.

The Statement of Financial Activities for the Charity has been reproduced below to present the activities of the Charity prior to the consolidation of the subsidiary companies (Henmead Limited and Water Park Limited).

	2023	2022
	£000	£000
INCOME AND ENDOWMENTS FROM:		
Donations and legacies	**3,326**	3,520
Investment income	**255**	143
	3,581	3,663
EXPENDITURE ON:		
Raising funds	**223**	95
Charitable activities:		
Financial assistance to Water Park Ltd	**893**	841
Grant to institutions other than Water Park Ltd	**1,728**	2,137
	2,844	3,073
Operating surplus	**737**	590
Net (losses)/gains on investments	**(2,358)**	11,661
NET MOVEMENT IN FUNDS	**(1,621)**	12,251

A proportion of the profits from Henmead Limited (which trades through the Eric Wright Group of Companies) are donated annually to the Eric Wright Charitable Trust. The Charity uses the donation from Henmead Limited to support local charities as outlined in the Charitable Giving Strategy contained within the Trustees Report and listed in Note 10 of the accounts. Surpluses are invested in a managed share portfolio to provide future stability and fulfilment of the Charity's objectives.

THE ERIC WRIGHT CHARITABLE TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 December 2023

	Notes	**2023 Total funds**	2022 Total funds
		£'000	£'000
INCOME AND ENDOWMENTS FROM			
Donations and legacies	3	**1**	1
Commercial trade operation	4	**246,272**	186,599
Charitable activities			
Third party fee income paid to Water Park	5	**371**	371
Investment income	6	**174**	63
Total incoming resources		**246,818**	187,034
RESOURCES EXPENDED			
Costs of generating funds			
Raising funds	7	**45**	42
Commercial trade operation	8	**240,281**	176,363
Charitable activities	9		
Grants to other Charitable bodies		**1,728**	2,137
Costs of operating Water Park and governance activities		**1,361**	1,185
Total resources expended		**243,415**	179,727
(Loss) on revaluation of investment property		**(1,405)**	(4,800)
Net gains/(losses) on investments		**197**	(500)
NET INCOME		**2,195**	2,007
Other recognised (losses)/gains			
Re-measurement of the net defined benefit liability		**(121)**	985
Share of comprehensive (loss)/income of joint ventures & associates		**(3,239)**	4,207
Effective portion of changes in fair value of cash flow hedge		**(625)**	7,088
Deferred tax on other comprehensive(loss)/income		**169**	(2,036)
		(3,816)	10,244
Total (loss)/income for the year		**(1,621)**	12,251
RECONCILIATION OF FUNDS			
Total funds brought forward		**105,085**	92,834
TOTAL FUNDS CARRIED FORWARD		**103,464**	105,085

THE ERIC WRIGHT CHARITABLE TRUST

CONSOLIDATED BALANCE SHEET
At 31 December 2023

	Notes	2023 Total funds	2022 Total funds
		£'000	£'000
FIXED ASSETS			
Intangible assets	15	**1,605**	1,499
Tangible assets	16	**5,183**	4,191
Investments			
Investments	17	**14,020**	17,247
Investment property	18	**89,410**	92,656
		110,218	115,593
CURRENT ASSETS			
Stocks	19	**31,366**	20,324
Debtors	20	**90,411**	82,446
Cash at bank		**21,514**	21,692
		143,291	124,462
CREDITORS			
Amounts falling due within one year	21	**(102,892)**	(69,196)
NET CURRENT ASSETS		**40,399**	55,266
TOTAL ASSETS LESS CURRENT LIABILITIES		**150,617**	170,859
CREDITORS			
Amounts falling due after more than one year	22	**(39,481)**	(57,586)
PROVISIONS FOR LIABILITIES			
Deferred tax liability	26	**(5,176)**	(5,610)
Pensions and similar obligations	27	**(2,467)**	(2,482)
Other provisions	28	**(29)**	(96)
NET ASSETS		**103,464**	105,085
FUNDS	29		
Unrestricted funds		**103,464**	105,085
TOTAL FUNDS		**103,464**	105,085

The financial statements were approved by the Board of Trustees on 9/10/2024 and were signed on its behalf by:

J M COLLIER
Trustee

THE ERIC WRIGHT CHARITABLE TRUST

TRUST BALANCE SHEET
31 December 2023

	Notes	2023 Total funds £'000	2022 Total funds £'000
FIXED ASSETS			
Tangible assets	16	**17**	19
Investments			
Investments	17	**95,742**	98,294
Investment property	18	**2,500**	2,250
		98,259	100,563
CURRENT ASSETS			
Debtors	20	**262**	272
Cash at bank		**5,214**	4,381
		5,476	4,653
CREDITORS			
Amounts falling due within one year	21	**(271)**	(131)
NET CURRENT ASSETS		**5,205**	4,522
TOTAL ASSETS LESS CURRENT LIABILITIES		**103,464**	105,085
CREDITORS			
Amounts falling due after more than one year	22	**-**	-
NET ASSETS		**103,464**	105,085
FUNDS	29		
Unrestricted funds		**103,464**	105,085
TOTAL FUNDS		**103,464**	105,085

The financial statements were approved by the Board of Trustees and authorised for issue on 9/10/2024 and were signed on its behalf by:

J M COLLIER
Trustee

THE ERIC WRIGHT CHARITABLE TRUST

CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 December 2023

	Notes	2023 £'000	2022 £'000
Cash flows from operating activities:			
Cash (used in)/generated from operations	1	**(2,712)**	12,843
Other comprehensive (loss)/income (non-cash)		**3,816**	(10,244)
Movement in provisions		**(448)**	(349)
Tax paid		**(35)**	(858)
Net cash received by operating activities		**621**	1,392
Cash flows from investing activities:			
Purchase of intangible fixed assets		**(290)**	(252)
Purchase of tangible fixed assets		**(1,278)**	(447)
Purchase of fixed asset investments		**(3,133)**	(4,227)
Purchase of investment property		**(794)**	(101)
Sale of tangible fixed assets		**5,929**	4,013
Repayment of loans		**3,822**	2,845
New loans		**(52)**	(3,406)
Interest received		**98**	9
Dividends received		**345**	294
Net cash provided by/(used in) investing activities		**4,647**	(1,272)
Cash flows from financing activities:			
Loan repayments in year		**(6,507)**	(2,351)
Increase in directors' loan		**1,061**	653
Net cash used in financing activities		**(5,446)**	(1,698)
Change in cash and cash equivalents in the reporting period		**(178)**	(1,578)
Cash and cash equivalents at the beginning of the reporting period	2	**21,692**	23,270
Cash and cash equivalents at the end of the reporting period	2	**21,514**	21,692

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 December 2023

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £'000	2022 £'000
Net income for the reporting period (as per the statement of financial activities)	**(1,621)**	12,251
Adjustments for:		
Depreciation charges	**477**	433
(Gain)/loss on investments	**(197)**	495
Interest received	**(98)**	(9)
Dividends received	**(76)**	(54)
Revaluation of investment properties	**1,405**	4,805
Operating profit of joint ventures & associates	**(3,562)**	(3,225)
Profit on disposal of investment property and fixed assets	**(215)**	-
Taxation	**(388)**	(527)
Increase in stocks	**(11,042)**	(6,297)
(Increase)/decrease in debtors	**(8,062)**	599
Increase in creditors	**20,667**	4,372
Net cash (used in)/generated by operating activities	**(2,712)**	12,843

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2023 £'000	2022 £'000
Cash & cash equivalents	**21,514**	21,692
Total cash and cash equivalents	**21,514**	21,692

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2023

1. ACCOUNTING POLICIES

The Eric Wright Charitable Trust ("the Trust) is a Charitable Trust registered and domiciled in the UK. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. Judgements made by the Trustees, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed later in accounting policies under the title 'Accounting estimates and judgements'.

1.1 Basis of preparing the financial statements

The financial statements of the Charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

All amounts in the financial statements have been rounded to the nearest £1,000.

1.2 Going concern

The Trust's activities are set out on the Trustees' report set out on pages 2 to 7. The financial position of the Trust is set out in the balance sheet on page 15. The financial risk and management of financial risk is explained in the Trustees' report.

The Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Consideration of going concern for subsidiary entities is made at Henmead level and the Trustees agree with the conclusion formed.

1.3 Income

Income from charitable activities is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of the income can be reliably measured.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the groups objectives, as well as any support costs.

Grants payable are charged in the year when payment is made or an unconditional offer is made. Grants offered subject to conditions which have not been met at the year end are noted within the reserves note a as a commitment, but not accrued as expenditure.

Expenditure is inclusive of irrecoverable VAT, where appropriate.

1. ACCOUNTING POLICIES – continued

1.5 Basis of consolidation

The consolidated financial statements include the financial statements of the Charity and its subsidiary undertakings made up to 31 December 2023. A subsidiary is an entity that is controlled by the Charity. The results of subsidiary undertakings are included in the consolidated statement of financial activities from the date that control commences until the date that control ceases. Control is established when the Charity has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Henmead Limited group of companies referred to as Group, takes into consideration potential voting rights that are currently exercisable. The Henmead Limited group of companies is controlled by the Charity, consequently the gross income and expenditure from its operations are presented on the Statement of Financial Activities for both the current and the comparative period.

An associate is an entity in which the Group has significant influence, but not control, over the operating and financial policies of the entity. Significance influence is presumed to exist when the investor holds between 20% and 50% of the equity voting rights.

A joint venture is a contractual arrangement undertaking in which the Group exercises joint control over the operating and financial policies of the entity. Where the joint venture is carried out through an entity, it is treated as a jointly controlled entity. The Group's share of the profits less losses of associates and of jointly controlled entities is included in the consolidated profit and loss account and its interest in their net assets is recorded on the balance sheet using the equity method. Where there is no obligation, commitment or guarantee by the group to fund the joint venture operations or make payments on behalf of the investees and there is no intention to in the future, then the share of net liabilities recognised in the group consolidated balance sheet is restricted to the value of the investment made by the group.

Where a group company is party to a joint venture which is not an entity, that company accounts directly for its share of the income and expenditure, assets, liabilities and cash flows. Such arrangements are reported in the consolidated financial statements on the same basis.

1.6 Basis of preparing the financial statements

In the consolidated financial statements, investments in subsidiaries, jointly controlled entities and associates are carried at cost less impairment. In the accounts of the Trust, the investments in subsidiaries are carried at Net Asset Value.

1.7 Turnover

Turnover in respect of trading activities is included in "other income" within income on the Statement of Financial Activities.

Turnover is stated net of VAT. In respect of contracting activities, turnover represents the value of work done in the year including estimates of amounts not invoices and adjustments relating to prior years which have been agreed during the year. In respect of the commercial development activities, turnover represents the sale of property recognised on exchange. With regard to forward funded commercial schemes, revenue is recorded equivalent to the level of costs incurred. In respect of the residential development activity turnover is recognised on completion of property sales. In respect of the Public Private Partnership and management activities turnover represents the value of services supplied during the year. Rental income is recognised on a straight-line basis over the associated lease term.

All amounts are derived within the United Kingdom.

1. ACCOUNTING POLICIES – continued

1.8 Classification of financial instruments issued by the group

In accordance with FRS 102.22, financial instruments issued by the group are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the group; and

(b) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

1.9 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in preference and ordinary shares

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognised in the Statement of Financial Activities. Other investments are measured at cost less impairment in the Statement of Financial Activities.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Charity's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Finance lease debtors

At the commencement of the lease term, a finance lease is recorded in the balance sheet as a receivable, at an amount equal to the net investment in the lease.

The net investment in a lease is the gross investment in the lease discounted at the interest rate implicit in the lease.

The gross investment in the lease is the aggregate of:

- The minimum lease payments receivable under a finance lease; and
- Any unguaranteed residual value accruing to the company.

Initial direct costs (costs that are incremental and directly attributable to negotiating and arranging a lease) are included in the initial measurement of the finance lease receivable and reduce the income recognised over the lease term.

Finance income is recognised based on a pattern reflecting a constant periodic rate of return on the net investment outstanding in respect of the finance lease.

1. ACCOUNTING POLICIES – continued

1.10 Other financial instruments

Financial instruments not considered to be Basic financial instruments (Other financial instruments)
Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in the Statement of Financial Activities except as follows:

- investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment; and
- hedging instruments in a designated hedging relationship shall be recognised as set out overleaf.

Derivative financial instruments and hedging
Within the Trust no derivative financial instruments exist however, the below represents those derivative financial instruments that occur in the Henmead group accounts and are included in the Trust accounts on consolidation.

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

1.11 Hedge accounting

Fair value hedges
Within the Trust no fair value hedges exist however, the below represents those fair value hedges that occur in the Henmead group accounts and are included in the Trust accounts on consolidation.

Where a derivative financial instrument is designated as a hedge of the variability in fair value of a recognised asset or liability or an unrecognised firm commitment, all changes in the fair value of the derivative are recognised immediately in the Statement of Financial Activities. The carrying value of the hedged item is adjusted by the change in fair value that is attributable to the risk being hedged (even if it is normally carried at cost or amortised cost) and any gains or losses on remeasurement are recognised immediately in the income statement (even if those gains would normally be recognised directly in reserves). If hedge accounting is discontinued and the hedged financial asset or liability has not been derecognised, any adjustments to the carrying amount of the hedged item are amortised into the Statement of Financial Activities using the effective interest method over the remaining life of the hedged item.

Cash flow hedges
Within the Trust no cash flow hedges exist however, the below represents those cash flow hedges that occur in the Henmead group accounts and are included in the Trust accounts on consolidation.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in other comprehensive income. Any ineffective portion of the hedge is recognised immediately in the Statement of Financial Activities.

For cash flow hedges, where the forecast transactions resulted in the recognition of a non-financial asset or non-financial liability, the hedging gain or loss recognised in other recognised losses is included in the initial cost or other carrying amount of the asset or liability. Alternatively, when the hedged item is recognised in profit or loss the hedging gain or loss is reclassified to the Statement of Financial Activities. When a hedging instrument expires or is sold, terminated or exercised, or the entity discontinues designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

1. ACCOUNTING POLICIES - continued

1.12 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described below.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the Statement of Financial Activities on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- Freehold buildings	4% on cost
- Leasehold land and buildings	4% on cost
- Plant, machinery and scaffolding	15% on reducing balance
- Fixtures and fittings	15% on reducing balance
- Motor vehicles	25% on reducing balance
- Computer equipment	33% on cost

1.13 Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the entity.

At the acquisition date, the group recognises goodwill as:
- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

FRS 102.35 granted certain exemptions from the full requirements of FRS 102 in the transition period. The Group elected not to restate business combinations that took place prior to 1 January 2014. In respect of acquisitions prior to 1 January 2014, goodwill is included on the basis of its deemed cost, which represents the amount recorded under old UK GAAP. Intangible assets previously included in goodwill, are not recognised separately.

1. ACCOUNTING POLICIES - continued

1.14 Intangible assets

Within the Trust no intangible assets exists however, the below represents intangible assets that occurs in the Henmead group accounts.

Intangible assets relate to computer software which is stated at cost less accumulated amortisation. Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful life which is 10 years.

1.15 Stock and work in progress

Stock and work in progress is stated at the lower of cost and net realisable value. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

1.16 Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition

i. investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in the Statement of Financial Activities in the period that they arise; and

ii. no depreciation is provided in respect of investment properties applying the fair value model.

1.17 Construction contract debtors

Within the Trust accounts no construction contract debtors exist however, the below represents those construction contract debtors that occur in the subsidiary accounts.

Amounts recoverable on long term contracts represents the gross unbilled amount for contract work performed to date. They are measured at cost plus profit recognised to date (see the revenue accounting policy) less a provision for foreseeable losses and less progress billings. Variations are included in contract revenue when they are reliably measurable and it is probable that the customer will approve the variation itself and the revenue arising from the variation. Claims are included in contract revenue only when they are reliably measurable and negotiations have reached an advanced stage such that it is probable that the customer will accept the claim. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the entity's contract activities based on normal operating capacity.

Amounts recoverable on long term contracts are presented as part of trade debtors in the balance sheet. If payments received from customers exceed the income recognised, then the difference is presented as payments on account in the balance sheet.

1. ACCOUNTING POLICIES - continued

1.18 Impairment excluding stocks, investment properties and deferred tax assets

Financial assets (including trade and other debtors)
A financial asset not carried at fair value through the Statement of Financial Activities is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment, an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in the Statement of Financial Activities. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the Statement of Financial Activities.

Non-financial assets
Within the Trust accounts no non-financial assets exist however, the below represents those non-financial assets that occur in the subsidiary accounts.

The carrying amounts of the entity's non-financial assets, other than investment property, stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire group of entities into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Financial Activities. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1. ACCOUNTING POLICIES - continued

1.19 Employee benefits

Defined contribution plans and other long term employee benefits
A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The amount charged to the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting period. Differences between contributions payable in the year and contributions actually paid are shown as either other creditors or prepayments in the balance sheet.

Defined benefit plans
Within the Trust no defined benefit plans exist however, the below represents those defined benefit plans that occur in the Henmead group accounts and included in the Trust accounts on consolidation.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The entity's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The entity determines the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dates approximating, to the terms of the entity's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in the Statement of Financial Activities.

Remeasurement of the net defined benefit liability is recognised in other comprehensive income in the period in which it occurs.

1.20 Provisions
A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Trust enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability in its individual financial statements until such time as it becomes probable that the company will be required to make a payment under the guarantee.

1. ACCOUNTING POLICIES - continued

1.21 Expenses

Operating lease
Within the Trust no operating leases exist however, the below represents operating leases that occur in the Henmead group accounts and are included in the Trust accounts on consolidation.

Payments (excluding costs for services and insurance) made under operating leases are recognised in the Statement of Financial Activities on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Finance lease
Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Interest receivable and Interest payable
Interest payable and similar charges include interest payable, finance charges and finance leases recognised in the Statement of Financial Activities using the effective interest method and unwinding of the discount on provisions that are recognised in the Statement of Financial Activities.

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains. Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the Statement of Financial Activities on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.22 Taxation

The Trust is exempt from taxation in respect of income or capital gains, to the extent that such income or gains are applied exclusively to charitable purposes.

Tax on the profit or loss for the year for trading subsidiaries comprises current and deferred tax. Tax is recognised in the statement of financial activities except to the extent that it relates to items recognised directly in equity or other gains and losses, in which case it is recognised directly in equity or other gains and losses.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, associates and joint ventures to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1. ACCOUNTING POLICIES - continued

1.23 Fund accounting

All funds are held within unrestricted reserves, which are available for use at the discretion of the Trustees in furtherance of the charitable objectives of the Group.

2. ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) Key sources of estimation uncertainty in applying the Group's accounting policies
Preparation of the financial statements requires the Trustees to make estimates. The items across the group statements where these estimates have been made include:

Contract turnover, Amounts recoverable on contracts and provisions
The amount of profit attributable to the stage of completion of a long-term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty however there is inherent judgement in this assessment. Turnover for such contracts is stated by reference to the costs incurred as a proportion of the total anticipated contract costs, less amounts recognised in previous years. Where the outcome cannot be reasonably foreseen, revenue is recognised to the extent of costs expensed as incurred. Amounts recoverable on contracts represent the gross unbilled amount for contract work performed to date. Provision is made for any losses as soon as they are foreseen. The provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Life cycle provision

The Eric Wright Group has contractual obligations to maintain properties owned by LIFT entities and other third parties over the lives of those assets. The receipts are under contract however the timing and quantum of costs differs resulting in a provision on the balance sheet. Due to the duration of the life cycle contracts, there is uncertainty regarding the timing and extent of the costs required to maintain the assets and judgement is therefore required in order to assess sufficiency.

Trade debtors
Held within trade debtors are contract trade debtors that represent billed amounts for contract work performed to date. Contract trade debtors are regularly reported and monitored to ensure the full amount is recovered. Provision is made for doubtful debts.

Defect period provision

During the prior year, new legislation was introduced which resulted in an extension to the limitation period within the Building Safety Act. This created the potential for future liabilities on a small number of buildings which were constructed in the past 30 years. A provision for future costs has been calculated based on the information currently available, consequently £1.0m has been included within accruals.

(b) Critical accounting judgements in applying the Group's accounting policies
Certain critical accounting judgements (apart from those involving estimations included above) in applying the Group's accounting policies are described below.

Investment property
Investment properties are initially recognised at cost. Subsequent to initial recognition investment properties whose fair value can be measured reliably are held at fair value. Whilst the investment properties are valued by external experts, there are a number of judgements adopted in respect of items such as yield and lease renewals which affect the overall valuation.

Loans to joint ventures
Loans to joint ventures are initially recognised at cost. The loans are reviewed annually for impairment via a review of the joint ventures cash flow forecast. No impairment is recognised as future trading and cash flow forecasts demonstrate the joint ventures have sufficient funds to meet repay the loans as they fall due.

2. ACCOUNTING ESTIMATES AND JUDGEMENTS - continued

Investments in joint ventures
To the extent that the Henmead group have no legal or constructive obligation to fund the share of historic losses recognised in the joint ventures the value of the investment is restricted to the value of the investments made.

Classification of financial instruments
Financial instruments are recognised initially at fair value. Subsequent to initial recognition financial instruments are measured at fair value with changes recognised in the Statement of Financial Activities. Where the financial instrument falls under the classification of hedging instruments and is in a designated hedging relationship the effective part of any gain or loss on the derivative financial instrument is recognised directly in other gains and losses. Any ineffective portion of the hedge is recognised immediately in the Statement of Financial Activities. The assessment of hedge effectiveness requires judgement.

Defined benefit plan
The Group's net obligation in respect of defined benefit plans is calculated each year by a qualified Actuary and using the estimates set out in note 27. Full provision for the liability is recognised in the Group accounts.

3. DONATIONS AND LEGACIES

The grant income can be represented as:

	2023	2022
	£'000	£'000
Other	1	1

4. COMMERCIAL TRADE OPERATIONAL INCOME

	2023	2022
	£'000	£'000
Group turnover	**232,278**	168,027
Other operating income – rental income	**5,461**	5,405
Profit on disposal of investment property	**215**	-
Share of profit in Joint Ventures	**3,562**	3,224
Share of profit in Associates	**-**	1
Income from investment	**-**	5,787
Interest receivable and similar income	**4,756**	4,155
	246,272	186,599

Commercial trade operational income relates to the Henmead Limited group of companies.

5. INCOME FROM CHARITABLE ACTIVITIES

		2023	2022
	Activity	**£'000**	£'000
Water Park fees received	Third party fee income paid to Water Park	**371**	371

6. INVESTMENT INCOME

	2023	2022
	£'000	£'000
Other fixed asset investment	**76**	54
Deposit account interest	**98**	9
	174	63

7. RAISING FUNDS

Other trading activities

	2023	2022
	£'000	£'000
Purchases	45	42

8. COMMERCIAL TRADE OPERATIONAL EXPENDITURE

	2023	2022
	£'000	£'000
Cost of sales	212,408	148,315
Administrative expenses	24,430	23,502
Interest payable and similar expenses	3,831	3,109
Cost related to investment	-	1,958
Tax on profit on ordinary activities	(388)	(527)
Dividend to minority interest	-	6
	240,281	176,363

Commercial trade operational expenditure relates to the Henmead Limited group of companies.

9. CHARITABLE ACTIVITIES COSTS

	Direct costs	Grant funding of activities (See note 10)	Support costs (See note 11)	Totals
	£'000	£'000	£'000	£'000
Costs of operating Water Park	1,139	-	-	1,139
Governance costs	-	-	223	223
Grants to other Charitable bodies	-	1,728	-	1,728
	1,139	1,728	223	3,090

10. GRANTS PAYABLE

	2023	2022
	£'000	£'000
Grants to other Charitable bodies	1,728	2,137

	2023	2022
	£'000	£'000
Grants paid to institutions other than Water Park Limited are categorised into the following sectors:		
Health	295	411
Youth	280	310
Child and Family Support	270	289
Community Voluntary Services	270	125
Mental Health	222	377
Carers	159	295
Elderly	145	270
Education & Training	75	50
Other	13	10
	1,728	2,137

11. CHARITABLE SUPPORT COSTS

Support costs, included in the above, are as follows:

Governance costs

	2023	2022
	£'000	£'000
Recharge of administrative resources	**103**	49
Auditors' remuneration	**15**	15
Accountancy and legal fees	**103**	30
Trustees and sundry expenses	**2**	1
	223	95

Audit fees across the group are disclosed as:

	2023	2022
	£'000	£'000
Trust auditor (Fairhurst):		
Audit of Trust and Water Park subsidiary	**15**	15
Henmead Limited auditor:		
Audit of Henmead Limited financial statements	**7**	7
Audit of financial statements of subsidiaries of Henmead Limited	**184**	160
Taxation advisory services	**45**	29
	251	211

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits payable by the Trust for the year ended 31 December 2023 nor for the year ended 31 December 2022.

However, during the year two Trustees received benefits for their former role as a director of two of the non-charitable trading subsidiaries (2022: two). One Trustee also received remuneration for supplying ad hoc professional advisory services to subsidiaries within the Henmead Limited group (2022: one).

Trustees' expenses

During the year Trustees were reimbursed a total of £772 (2022: £51) to cover out of pocket expenses.

Directors' remuneration and key management personnel

During the year Directors' and key management personnel of the Henmead group were compensated for their services as follows:

	2023	2022
	£'000	£'000
Directors' remuneration	**1,823**	2,244
Benefits in kind	**4**	10
Company contributions to money purchase pension plans	**38**	35
	1,865	2,289

Information regarding the highest paid director is as follows:

	2023	2022
	£'000	£'000
Remuneration	**903**	1,276

Retirement benefits are accruing to one (2022: one) director under a defined contribution scheme.

The remuneration of the Directors of Henmead Limited is disclosed above.
The additional remuneration of the Directors of Eric Wright Group Limited (key management personnel) is set out below.

	2023	2022
	£'000	£'000
Key management personnel remuneration	**1,175**	1,211

13. STAFF NUMBERS AND COSTS

The average number of persons employed by the Group (including Trustees) during the year, analysed by category, was as follows:

	2023 No.	2022 No.
Direct labour	394	371
Administration	473	432
	867	803

The aggregate payroll costs of these persons were as follows:

	2023 £'000	2022 £'000
Wages and salaries	36,632	36,389
Social security costs	3,735	3,654
Contributions to defined contribution plans	3,941	3,343
	44,309	43,386

14. TAXATION

During the year no tax was directly payable by the Trust. Taxation was paid by subsidiary entities and is disclosed in note 8.

15. INTANGIBLE ASSETS

Group	Software £'000
COST	
At 1 January 2023	1,821
Additions	290
At 31 December 2023	2,111
AMORTISATION	
At 1 January 2023	322
Amortisation charge for year	184
At 31 December 2023	506
NET BOOK VALUE	
At 31 December 2023	**1,605**
At 31 December 2022	1,499

Trust
The trust does not hold any goodwill or intangible assets.

16. TANGIBLE FIXED ASSETS

Group	Freehold property £'000	Long leasehold £'000	Plant and machinery £'000
COST			
At 1 January 2023	3,586	515	2,611
Additions	453	546	244
Disposals	-	-	(4)
At 31 December 2023	4,039	1,061	2,851
DEPRECIATION			
At 1 January 2023	370	341	2,136
Charge for year	33	19	132
Eliminated on disposal	-	-	(4)
At 31 December 2023	403	360	2,264
NET BOOK VALUE			
At 31 December 2023	**3,636**	**701**	**587**
At 31 December 2022	3,249	196	356

	Fixtures and fittings £'000	Motor vehicles £'000	Totals £'000
COST			
At 1 January 2023	2,268	397	9,377
Additions	35	-	1,277
Disposals	-	-	(4)
At 31 December 2023	2,303	397	10,651
DEPRECIATION			
At 1 January 2023	2,061	278	5,186
Charge for year	71	30	285
Eliminated on disposal	-	-	(4)
At 31 December 2023	2,133	308	5,467
NET BOOK VALUE			
At 31 December 2023	**170**	**89**	**5,183**
At 31 December 2022	207	120	4,191

16. TANGIBLE FIXED ASSETS - continued

Land and buildings

The net book value of land and buildings in tangible fixed assets and investment properties comprises:

	2023	2022
	£'000	£'000
Freehold	63,359	65,674
Long leasehold	29,437	30,198
Short leasehold	701	174
	93,497	96,046

Trust	Fixtures and fittings
	£'000
COST	
At 1 January 2023 and 31 December 2023	204
DEPRECIATION	
At 1 January 2023	185
Charge for year	2
At 31 December 2023	187
NET BOOK VALUE	
At 31 December 2023	17
At 31 December 2022	19

17. FIXED ASSET INVESTMENTS

Group	Loans to Joint Ventures £'000	Interests in Joint Ventures £'000	Investment in associates £'000	Share portfolio £'000	Cash and settlements pending £'000	Total £'000
COST OR MARKET VALUE						
At 1 January 2023	13,198	2,122	3,437	3,088	184	22,029
Additions	-	-	-	1,620	1,513	3,133
Disposals	-	-	-	(1,437)	(1,641)	(3,078)
New loans provided	52	-	-	-	-	52
Repayment of loans	(386)	-	(3,436)	-	-	(3,822)
Revaluation	-	-	-	197	-	197
Share of loss	-	(623)	-	-	-	(623)
At 31 December 2023	12,864	1,499	1	3,468	56	17,888
PROVISIONS						
At 1 January 2023	(4,783)	-	-	-	-	(4,783)
Movement in provision	915	-	-	-	-	915
At 31 December 2023	(3,868)	-	-	-	-	(3,868)
NET BOOK VALUE AT 31 DECEMBER 2023	**8,996**	**1,499**	**1**	**3,468**	**56**	**14,020**
At 31 December 2022	8,415	2,122	3,437	3,089	184	17,247

17. FIXED ASSET INVESTMENTS - continued

Trust

	Share portfolio £'000	Unlisted investments £'000	Cash and settlements pending £'000	Totals £'000
FAIR VALUE				
At 1 January 2023	3,062	95,048	184	98,294
Additions	1,620	-	1,513	3,133
Disposals	(1,437)	-	(1,641)	(3,078)
Revaluations	197	(2,804)	-	(2,607)
At 31 December 2023	3,442	92,244	56	95,742
NET BOOK VALUE				
At 31 December 2023	**3,442**	**92,244**	**56**	**95,742**
At 31 December 2022	3,062	95,048	184	98,294

There were no investment assets outside the UK.

The Trust's investments in unlisted companies at the balance sheet date were:

Company	Percentage holding	Country of incorporation	Nominal value £
Henmead Limited	100	England	100
Water Park Limited	100	England	1

18. INVESTMENT PROPERTY

	2023 £'000 Group	2023 £'000 Trust
FAIR VALUE		
At 1 January 2023	**92,656**	**2,250**
Additions	**794**	**-**
Disposals	**(2,635)**	**-**
Net (deficit)/surplus from fair value adjustments	**(1,405)**	**250**
At 31 December 2023	**89,410**	**2,500**
NET BOOK VALUE		
At 31 December 2023	**89,410**	**2,500**
At 31 December 2022	92,656	2,250

All investment properties are held at fair value. With the exception of the asset held by the trust, all group assets were valued at 1 November 2023 at market value on the basis of existing use by Avison Young or Cushman and Wakefield, Chartered Surveyors, external independent valuers, having an appropriate recognised professional qualification (The Royal Institute of Chartered Surveyors) and recent experience in the location and class of property being valued. The investment asset held by the Trust was valued on the same basis, but as at 31st December 2023. Although the trust asset is used by Water Park Limited (a subsidiary company) for the furtherance of the trust's charitable activities, the Trustees have deemed that it is correct for it to be classified as an investment property in the consolidated accounts as it is their policy to revalue the asset on a regular basis.

19. STOCKS

	Group 2023 £000	Group 2022 £000	Trust 2023 £000	Trust 2022 £000
Work in progress	**31,366**	20,324	**-**	-
	31,366	20,324	**-**	-

The write-down of stocks to net realisable value through cost of sales amounted to £65,000 (*2022: £548,000*). Offsetting this is a write-back of a previous impairment of £NIL (*2022: £170,000*).

20. DEBTORS

	Group 2023 £000	Group 2022 £000	Trust 2023 £000	Trust 2022 £000
Amounts falling due within one year				
Finance lease debtor receivable	**2,353**	2,001	**-**	-
Trade debtors	**20,545**	18,899	**-**	-
Amounts recoverable on long term contracts	**23,805**	16,833	**-**	-
Amounts due from subsidiaries	**-**	-	**208**	235
Corporation tax	**216**	176	**-**	-
VAT	**-**	-	**-**	13
Prepayments	**4,867**	5,289	**55**	24
Deferred tax	**1,011**	894	**-**	-
Financial Instruments	**471**	719	**-**	-
Other debtors	**4,436**	2,503	**-**	-
	57,705	47,314	**262**	272
Due after more than one year				
Finance lease debtor receivable	**30,590**	33,037	**-**	-
Trade debtors	**2,116**	2,095	**-**	-
	90,411	82,446	**-**	272

Amounts owed by group undertakings are non-interest bearing and repayable on demand. Within debtors due after one year are trade debtors in relation to retentions receivable on contracts after more than one year.

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023 £000	Group 2022 £000	Trust 2023 £000	Trust 2022 £000
Bank loans and overdraft	**14,610**	2,507	**-**	**-**
Payments on account	**12,350**	7,599	**-**	**-**
Trade creditors	**34,171**	23,979	**-**	**-**
Amounts due to subsidiaries	**-**	-	**29**	96
Taxation and social security	**7,669**	5,606	**3**	**-**
Other creditors	**19,928**	16,315	**56**	**-**
Accruals and deferred income	**7,417**	7,505	**182**	35
Director's loan accounts	**6,747**	5,685	**-**	**-**
	102,892	69,196	**270**	131

Included within directors' loan accounts due within one year are loans due to R E Wright (Director). Amounts due to R E Wright are £6,747,000 (2022: £5,685,000). The maximum amount outstanding in the year to R E Wright was £6,747,000 (2022: £5,685,000).

Within other creditors is a provision of £3,036,000 in relation to an onerous development contract. This provision will be utilised in full by April 2025.

Within accruals there is a reserve of £1,000,000 in relation to potential defects as a result of the changes to the liability period imposed by the Building Act 2022.

Amounts owed to subsidiaries by the Trust are non-interest bearing and repayable on demand.

22. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2023 £000	Group 2022 £000	Trust 2023 £000	Trust 2022 £000
Bank loans	**33,441**	52,050	**-**	**-**
Deferred Income	**4,835**	4,708	**-**	**-**
Financial instruments	**1,205**	828	**-**	**-**
	39,481	57,586	**-**	**-**

Details on financial instruments are included in note 25.

23. INTEREST-BEARING LOANS AND BORROWING

This note provides information about the contractual terms of Henmead's interest-bearing loans and borrowings, which are measured at amortised cost.

	2023 £'000	2022 £'000
Loans and overdrafts can be analysed as falling due:		
In one year or less	**14,610**	2,507
Between one and two years	**12,493**	14,610
Between two and five years	**4,888**	19,611
In five years or more	**16,060**	17,829
	48,051	54,557

23. INTEREST-BEARING LOANS AND BORROWINGS – continued

	2023	2022
	£'000	£'000
Creditors falling due in more than one year		
Secured bank loans	**33,441**	52,050

Bank loans are secured on certain investment properties of Eric Wright Group Limited, a subsidiary of Henmead Limited, and other group companies.

All financial liabilities are denominated in UK pounds sterling. The financial liabilities carry floating rates of interest, based upon market rates prevailing at the time. Some of these financial liabilities have been swapped to a fixed interest rate.

Interest rate swaps, denominated in pounds sterling have been entered into to protect the maximum interest expense to which the Group is exposed. These swaps with an underlying debt value of £33,584,000 (*2022:* £39,490,000) enable the Group to swap floating rate liabilities on loans to a fixed rate liability. The period of these swap arrangements ranges from 1 to 14 years as at 31 December 2023. This capped the maximum interest payable by the Group to December 2023 at 5.87%.

The interest paid by the Group on its bank floating rate liabilities was at a rate of SONIA plus a margin of 2% to 2.7% (2022: SONIA plus 2% to 2.7%).

Terms and debt repayment schedule

Group	Currency	Nominal interest rate	Year of maturity	Repayment schedule	2023 £000	2022 £000
Term loan 1	£ GBP	SONIA + 2.7%	2024	Amortising	**12,400**	12,800
Revolving Credit Facility	£ GBP	SONIA + 2%	2025	Revolving Credit Facility	**11,000**	15,000
Debenture loans	£ GBP	SONIA + 2%	-	Subordinated debt	**67**	67
Term loan 2	£ GBP	SONIA + 1%	2024	Amortising	**664**	1,323
Term loan 3	£ GBP	SONIA + 0.97%	2030	Amortising	**3,965**	4,450
Term loan 4	£ GBP	SONIA + 2.1%	2037	Amortising	**19,955**	20,917
					48,051	54,557

Following a refinance completed in December 2019, Term loan 1 is an amortising 5-year term loan with annual capital repayments of £400,000. The residual £12m loan will fall due for final repayment in December 2024 and discussions have commenced in relation to the refinancing of the facility

The Revolving Credit Facility ("RCF") is drawn for a fixed period, agreed in advance with the bank. The RCF is either repaid at the end of the fixed period or the period extended. The RCF facility was refinanced in December 2021 for a 42 month period to June 2025. The available facility is £30m subject to the value of charged assets.

The debenture loan is unsecured and no redemption date has been set.

The term loans 2-4 are repaid bi-annually and full repayment will be made by the expiry date and relate to the Group's PFI arrangement.

24. OTHER FINANCIAL LIABILITIES

	Group 2023 £000	Group 2022 £000	Trust 2023 £000	Trust 2022 £000
Liabilities				
Amounts falling due after more than one year				
Other financial liabilities designated as fair value through other comprehensive income	**1,205**	828	-	-
	1,205	828	-	-

	Group 2023 £000	Group 2022 £000	Trust 2023 £000	Trust 2022 £000
Assets				
Amounts recoverable after more than one year				
Other financial assets designated as fair value through other comprehensive income	**471**	719	-	-
	471	719	-	-

25. FINANCIAL INSTRUMENTS

(a) Carrying amount of financial instruments

The carrying amounts of the financial assets and liabilities include:

	Notional amount £'000	Maturity year	Fixed rate %	Fair value 2023 £'000	Fair value 2022 £'000
Liabilities measured at amortised cost					
Interest rate swap 1	671	2024	5.865	**(2)**	(26)
Interest rate swap 2	3,920	2030	5.400	**(206)**	(204)
Interest rate swap 3	19,954	2037	4.400	**(997)**	(598)
				(1,205)	(828)

	Notional amount £000	Maturity Year	Fixed Rate %	Fair value asset 2023 £000	Fair value asset 2022 £000
Assets measured at amortised cost					
Interest rate swap 4	9,000	2024	0.545	**471**	719

(b) Financial instruments measured at fair value

Derivative financial instruments

The fair value of interest rate swap and interest rate caps is based on broker quotes. Those quotes are tested for reasonableness by comparing against prior year valuations, market interest rates and valuations for similar instruments at the measurement date.

25. FINANCIAL INSTRUMENTS – continued

(c) Hedge accounting

To hedge the potential volatility in future interest cash flows arising from movements in SONIA, the Group has entered into swap agreements with RBS, the Bank of Tokyo Mitsubishi, Santander and Co-operative Bank. These result in the Group paying the floating interest rate and receiving and/or paying a fixed interest rate on the swaps. This effectively fixes the interest cost on the loans.

The derivatives are accounted for as a hedge of variable interest rate risks, in accordance with FRS 102. The cash flows arising from the interest rate swaps will continue until their maturity, coinciding with the repayment of the loans.

The following table indicates the periods in which the cash flows associated with cash flow hedging instruments are expected to occur as required by FRS 102.29(a) for the cash flow hedge accounting models:

	2023						2022					
	Carrying Amount £000	**Expected cash flows £000**	**1 year or less £000**	**1 to <2years £000**	**2 to <5years £000**	**5 years and over £000**	Carrying amount £000	Expected cash flows £000	1 year or less £000	1 to <2years £000	2 to <5years £000	5years and over £000
Interest rate swaps:												
Liabilities	**33,545**	**12,031**	**1,637**	**1,463**	**3,756**	**5,175**	35,653	13,807	1,775	1,637	4,070	6,325
	33,545	**12,301**	**1,637**	**1,463**	**3,756**	**5,175**	35,653	13,807	1,775	1,637	4,070	6,325

The change in fair value in the period is recognised in other comprehensive income as the swaps were 100% effective hedges.

(d) Fair values

The amounts for all financial assets and financial liabilities carried at fair value are as follows:

	Fair value	Fair value
	2023	2022
	£'000	£'000
Interest rate swaps – liabilities	**(1,205)**	(828)
Interest rate swaps – assets	**471**	719
	(734)	(109)

26. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are attributable to the following:

Held in provisions for liabilities and charges	**Group 2023 £000**	Group 2022 £000	**Trust 2023 £000**	Trust 2022 £000
At 1 January	**5,610**	6,407	-	-
Profit and loss account credit	**(395)**	(1,182)	-	-
Amount recognised in other comprehensive income	**(39)**	385	-	-
At 31 December	**5,176**	5,610	-	-

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 December 2023

26. DEFERRED TAX ASSTES AND LIABILITIES - continued

Held in debtors	**Group 2023 £000**	Group 2022 £000	**Trust 2023 £000**	Trust 2022 £000
At 1 January	**894**	2,617	-	-
Profit and loss accounts charge	**(13)**	(72)	-	-
Amount recognised in other comprehensive income	**130**	(1,651)	-	-
At 31 December	**1,011**	894	-	-

Deferred tax liability	**Group 2023 £000**	Group 2022 £000	**Trust 2023 £000**	Trust 2022 £000
Accelerated capital allowances	**3,520**	3,517	-	-
Other timing differences	**193**	39	-	-
Short term timing differences financial instruments	**48**	86	-	-
Other short term timing differences	**1,415**	1,968	-	-
	5,176	5,610	-	-

Deferred tax asset	**2023 £000**	2022 £000	**2023 £000**	2022 £000
Accelerated capital allowances	**25**	28	-	-
Other timing differences	**120**	96	-	-
Short term timing differences relating to pension provision	**617**	620	-	-
Short term timing differences - financial instruments	**249**	150	-	-
	1,011	894	-	-

27. EMPLOYEE BENEFITS

Henmead Limited operates a pension scheme providing benefits to a finite number of long serving retired employees based on an ex-gratia pension determined by the Chairman. The pension scheme has no assets and the pension scheme liability is recognised in full in the balance sheet and detailed below.

The information disclosed below is in respect of the whole of the plan and for which Henmead Limited is legally responsible.

Net pension liability	**2023 £'000**	2022 £'000
Defined benefit obligation	**2,467**	2,482
Net pension liability	**2,467**	2,482

Movements in present value of defined benefit obligation	**2023 £'000**	2022 £'000
At 1 January	**2,482**	3,594
Interest expense	**112**	162
Remeasurement: actuarial losses (gains)	**121**	(985)
Benefits paid	**(248)**	(289)
At 31 December	**2,467**	2,482

27. EMPLOYEE BENEFITS - continued

Expense recognised in the SOFA	**2023 £'000**	2022 £'000
Net interest on net defined benefit liability	**112**	162
Total expense recognised in the SOFA	**112**	162

Principal actuarial assumptions (expressed as weighted averages) at the year-end were as follows:

	2023 %	2022 %
Discount rate	**4.5**	4.5

The last full actuarial valuation was performed on 31 December 2023. The amount for the current and four previous periods are as follows:

	2023 £000	2022 £000	2021 £000	2020 £000	2019 £000
Present value of scheme liabilities	**(2,467)**	(2,482)	(3,594)	(4,104)	(3,993)
Experience adjustments on scheme liabilities	**(121)**	985	296	(367)	(319)

In valuing the liabilities of the pension fund at 31 December 2023, mortality assumptions have been made as indicated below.

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality table and include an allowance for future improvements in longevity.

The assumptions are equivalent to expending a 75 year old to live for a number of years as follows:

	2023 Years	2022 Years
Female	**15**	14
Male	**13**	12

Defined contribution plans

Group

The Group operates a number of defined contribution pension plans.

The total expense relating to these plans in the current year was £3,879,000 (2022: £3,285,000) and the amount due to the scheme at the year-end is £376,000 (2022: £460,000) and is included in other creditors.

28. OTHER PROVSIONS

Other provisions represent a dilapidation provision for a property operated by the Trust.

Included within the Water Park accounts are provisions for lease dilapidation of £29,000 (2022: £96,000).

29. MOVEMENT IN FUNDS

	At 1/1/23 £'000	Net movement in funds £'000	Transfer between funds £'000	At 31/12/23 £'000
Unrestricted funds				
General fund	102,818	(1,871)	(250)	100,697
Designated funds	2,267	250	250	2,767
	105,085	(1,621)	-	103,464
TOTAL FUNDS	105,085	(1,621)	-	103,464

Net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
Unrestricted funds				
General fund	246,818	(243,415)	(5,274)	(1,871)
Designated fund	-	-	250	250
TOTAL FUNDS	246,818	(243,415)	(5,024)	(1,621)

Comparatives for movement in funds

	At 1/1/22 £'000	Net movement in funds £'000	Transfer between funds £'000	At 31/12/22 £'000
Unrestricted Funds				
General fund	90,556	12,251	11	102,818
Designated fund	2,267	-	-	2,267
Designated (Stoves)	2	-	(2)	-
Wright Lodge fit out costs	9	-	(9)	-
TOTAL FUNDS	92,834	12,251	-	105,085

29. MOVEMENT IN FUNDS – continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
Unrestricted funds				
General fund	187,034	(179,727)	4,944	12,251
	187,034	(179,727)	4,944	12,251
TOTAL FUNDS	187,034	(179,727)	4,944	12,251

The designated fund reflects the value of the property, which has been designated for the use of the Water Park, and the grant received for the purchase of certain fixed assets, which is being released in line with the depreciation of the fixed assets purchased.

During 2010 a donation was received towards the costs of Stoves. This was transferred to a separate designated fund. Depreciation of the Stoves in Water Park Limited accounts are covered by a grant paid out of the Stoves Designated Fund.

During 2012 a donation was received towards the fit-out costs of the Wright Lodge Building. This was transferred to a separate designated fund. Depreciation of the fit-out costs in Water Park Limited accounts are covered by a grant paid out of the Fit Out Designated Fund.

In 2022, the remaining reserves held within the Stoves and Wright Lodge funds were transferred into the General fund, by the agreement of the board.

30. LEASING AGREEMENTS

Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Group 2023 £000	Group 2022 £000	**Trust 2023 £000**	Trust 2022 £000
Less than one year	**1,946**	1,552	-	-
Between one and five years	**3,952**	2,907	-	-
More than five years	**19,767**	19,390	-	-
	25,665	25,871	-	-

During the year £1,513,000 (2022: £1,271,000) was recognised as an expenses in the Statement of Financial Activities in respect of operating leases.

30. LEASING AGREEMENTS -continued

Leases as lessor

The investment properties held by Henmead Limited are let under operating leases. The future minimum lease payments receivable under non-cancellable leases are as follows:

	Group 2023 £000	Group 2022 £000	**Trust 2023 £000**	Trust 2022 £000
Less than one year	**6,093**	4,927	**-**	-
Between one and five years	**18,774**	14,466	**-**	-
More than five years	**51,702**	55,978	**-**	-
	76,569	75,371	**-**	-

There are no individual material leasing arrangements requiring disclosure.

Finance leases

Leases as lessor

The Group has finance leases in connection with its PFI arrangements. The minimum lease receivable payment receivable at the end of the reporting period are as follows:

	Minimum lease receivable 2023 £000	**Interest 2023 £000**	**Principal 2023 £000**	Minimum lease receivable 2022 £000	Interest 2022 £000	Principal 2022 £000
Within one year	**4,941**	**2,588**	**2,353**	4,746	2,745	2,001
Greater than one year and less than two years	**5,056**	**2,386**	**2,670**	4,961	2,572	2,389
Greater than two years and less than five years	**13,057**	**5,926**	**7,131**	14,467	6,474	7,993
Greater than five years	**28,303**	**7,514**	**20,789**	31,880	9,225	22,655
	51,357	**18,414**	**32,943**	56,054	21,016	35,038

31. COMMITMENTS

The Group and the Trust have no contractual commitments to purchase tangible fixed assets at either the current or prior year-end.

In respect of interests in Jointly Controlled Entities, the Group and the Trust have no commitment to incur capital expenditure at either the current or prior year end.

32. CONTINGENT LIABILITIES

There is a cross guarantee in place in relation to the Group's Revolving Credit Facility between a number of Group companies. This is supported by a first legal charge over certain Group investment properties.

33. RELATED PARTY DISCLOSURES

Related parties
The following is the identity of related parties of the Group.

Company/entity	Portion of ordinary shares held	
Subsidiary undertakings		
Henmead Limited*	100%	
Eric Wright Group Limited	100%	
Eric Wright Construction Limited	100%	
Eric Wright Partnerships Limited	100%	
Eric Wright Civil Engineering Limited	100%	
Maple Grove Developments Limited	100%	
Eric Wright Investments Limited	100%	Dormant
Maple Grove Investments Limited	100%	
Stonecross Enterprises Limited	100%	
Elltech Limited	95%	
Sceptre Nursery Limited	100%	
Eric Wright Commercial Limited	100%	Dormant
Skemtech Limited	95%	
Fleetwood PPP Limited	100%	
Cobco 494 Limited	100%	
Cobco 450 Limited	100%	
Eric Wright FM Limited	100%	
Eric Wright Homes Limited	100%	
Maple Grove Residential Limited	100%	
Applethwaite Limited	100%	
Eric Wright Developments	100%	Dormant
Eric Wright Water Limited	100%	
EWGN Blackpool PSP Limited	80%	Dormant
Blackpool LEP Limited	64%	
Highfield PFI Holdco Limited	72%	Dormant
Highfield PFI SPV Limited	72%	
Samlesbury Developments Limited	100%	Dormant
Wrightcare Holdings Limited	100%	
Wrightcare Developments Limited	100%	
Wrightcare Clitheroe Limited	100%	
Joint ventures		
Foundation for Life Limited	60%	
Leigh Holdco Limited	60%	Dormant
Leigh Fundco Limited	60%	
Pacific Shelf 888 Limited	60%	
Pemberton Care Limited	60%	
Pinco 2033 Limited	60%	
Pinco 2206 Limited	60%	
Pimco 2401 Limited	60%	
FFL Capital Projects Limited	60%	Dormant
East Lancashire Building Partnership Limited	60%	
Blackburn Holdco Limited	60%	Dormant
Blackburn Fundco Limited	60%	
Rossendale LIFT Limited	60%	
Pinco 2223 Limited	60%	
Pimco 2297 Limited	60%	
Inhoco 2952 Limited	60%	
Pimco 2451 Limited	60%	
East Lancashire Capital Projects Limited	60%	
Brahm LIFT Limited	60%	

33. RELATED PARTY DISCLOSURES – continued

Company/entity	Portion of ordinary shares held	
Joint ventures		
Brahm Intermediate Holdco 1 Limited	60%	Dormant
Brahm Fundco 1 Limited	60%	
Brahm Intermediate Holdco 2 Limited	60%	Dormant
Brahm Fundco 2 Limited	60%	
Bolton Holdco 1 Limited	60%	Dormant
Bolton Fundco 1 Limited	60%	
Brahm Capital Projects Limited	60%	Dormant
Booths Partnership Limited	50%	
Regional and Local Education Partnership Limited	26%	Dormant
Tri link 140 Holdings 1 LLP	50%	
Tri Link 140 Holdings 2 LLP	50%	
Winsford Holdings 1 LLP	50%	
Winsford Holdings 2 LLP	50%	
Holbeck Homes (Cartmel) Limited	50%	
Glenholme Wrightcare Limited	50%	
Glenholme Senior Living (Bispham Gardens) Limited	50%	
Associates		
Deeside Regeneration Limited	24.9%	

All companies are registered and operate in England and Wales and principal activities are either building, contracting, civil engineering or property development. The registered addresses of the related parties are available in the accounts of each of the entities, which are available from Companies House.

* Eric Wright Charitable Trust directly owns the share capital of this entity. All remaining share capital, apart from Water Park Limited (which is directly owned) is owned indirectly through subsidiary undertakings.

Related party transactions

	Henmead shareholding	Goods and services supplied		Balance outstanding at the end of the year	
		2023	2022	**2023**	2022
		£000's	£000's	**£000's**	£000's
During the year subsidiaries of Henmead Limited supplied construction services to the following companies in which the Group has an interest. These services were provided by Eric Wright Construction Limited.					
Blackpool Local Education Partnership Limited	64%	-	2,908	-	-
During the year subsidiaries of Henmead Limited supplied hard FM services to the following companies in which Eric Wright Group Limited has an interest. These services were provided by Eric Wright FM Limited.					
Blackburn Fundco Limited	60%	**453**	448	-	-
Bolton Fundco 1 Limited	60%	**595**	378	-	-
Brahm Fundco 1 Limited	60%	**1,172**	745	-	-
Brahm Fundco 2 Limited	60%	**894**	585	-	86
Highfield PFI SPV Limited	72%	**816**	736	-	-
Inhoco 2952 Limited	60%	**1,189**	920	-	-
Leigh Fundco Limited	60%	**405**	291	**170**	-
Pacific Shelf 888 Limited	60%	**67**	38	**38**	40
Pemberton Care Limited	60%	**151**	118	-	-
Pimco 2297 Limited	60%	**72**	73	-	-
Pimco 2401 Limited	60%	**259**	157	-	-

33. RELATED PARTY DISCLOSURES – continued

Related party transactions

	Henmead shareholding	Goods and services supplied		Balance outstanding at the end of the year	
		2023 £000's	2022 £000's	**2023 £000's**	2022 £000's
Pimco 2451 Limited	60%	**655**	684	-	-
Pinco 2033 Limited	60%	**902**	515	-	-
Pinco 2206 Limited	60%	**512**	308	-	-
Pinco 2223 Limited	60%	**854**	625	-	-
Rossendale Lift Limited	60%	**492**	438	-	10

During the year subsidiaries of Henmead Limited provided management services to the following companies in which Eric Wright Group Limited has an interest. These services were provided by Eric Wright Partnerships Limited.

Blackburn Fundco Limited	60%	**24**	22	-	-
Blackpool Local Education Partnership Limited	64%	**5**	-	-	-
Bolton Fundco 1 Limited	60%	**145**	126	-	-
Brahm Fundco 1 Limited	60%	**243**	263	-	-
Brahm Fundco 2 Limited	60%	**198**	172	-	-
Brahm Lift Limited	60%	**223**	174	-	-
Inhoco 2952 Limited	60%	**348**	309	-	-
Leigh Fundco Limited	60%	**60**	53	-	-
Pacific Shelf Limited	60%	**11**	10	-	-
Pemberton Care Limited	60%	**36**	33	-	-
Pimco 2297 Limited	60%	**12**	11	-	-
Pimco 2401 Limited	60%	**86**	77	-	-
Pimco 2451 Limited	60%	**102**	91	-	-
Pinco 2033 Limited	60%	**268**	238	-	-
Pinco 2206 Limited	60%	**139**	122	-	-
Pinco 2223 Limited	60%	**102**	91	-	-
Rossendale Lift Limited	60%	**3**	30	-	-
East Lancashire Building Partnership Limited	60%	**267**	74	-	-
Foundation for Life Limited	60%	**213**	46	-	-

During the prior year a Group company carried out construction services on behalf of a Trustee. The work was undertaken by a non-charitable trading subsidiary of the Charity. The services were completed on commercial terms and so fall outside of the remit of the Charity itself. The total value of services was £nil (2022: £569,000). No amounts are outstanding at the year-end (2022: £Nil).

34. ULTIMATE CONTROLLING PARTY

The Trust is under the control of the board of Trustees.

THE ERIC WRIGHT CHARITABLE TRUST

England & Wales - Charity number 1002966

Accounts

REGISTERED CHARITY NUMBER: 1002966

REPORT OF THE TRUSTEES AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 FOR THE ERIC WRIGHT CHARITABLE TRUST

Fairhurst
Statutory Auditor
Chartered Accountants
Douglas Bank House
Wigan Lane
Wigan
Lancashire
WN1 2TB

THE ERIC WRIGHT CHARITABLE TRUST

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for the Year Ended 31 December 2022

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THE ERIC WRIGHT CHARITABLE TRUST

TRUSTEES REPORT
for the Year Ended 31 December 2022

The Trustees present their report with the financial statements of the Charity for the year ended 31 December 2022. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity was established by deed on the 23 April 1990. The Trust was granted charitable status on 17 May 1991 as a general charitable trust with registered charity number 1002966.

Organisational structure

The Trustees meet at least four times a year to agree strategic direction, receive reports from staff, approve budgets and finance reports and endorse new policies as well as changes to existing policies. The Trustees are also members of key Sub-Committees that meet periodically throughout the year to discuss Finance, Investment and Governance, Charitable Giving and Remuneration. The day-to-day responsibility for the Eric Wright Charitable Trust rests with a board of trustees who use professional advice and support where required.

Recruitment and appointment of new trustees

The power to appoint new trustees is vested in the settlor, Eric Wright, during his lifetime and, following his death, in Alison Wright, a Trustee of the Charity. New trustees are appointed as and when required and determined by the current trustee body and the needs of the Charity in consultation with the settlor.

No new trustees were appointed during the year. When appointing new trustees, the trustees would seek to address the issue of any skill and knowledge gap within their body.

Induction and training of new trustees

New trustees will be subject to training as required by their previous experience. Ongoing training is provided to the existing trustees as required.

Related parties

The Charity is related to its subsidiaries, Water Park Limited and Henmead Limited, and in turn all of Henmead's subsidiaries, and also to the Eric Wright Learning Foundation, a charitable company limited by guarantee of which the Trust is a member and provides the majority of its funding.

Conflicts of interest

The Trust operates in accordance with its Conflict of Interest policy. From time to time the Charity may make grants to organisations with whom one or more of its Trustees is connected, typically as a Trustee or member of staff. The Trustees make every effort to ensure that decisions on these grants are made at arms-length, and in accordance with their policy for dealing with potential conflicts of interest.

Risk management

The Trustees have examined the major strategic, business and operational risks which the Charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks. The principal risks identified by the Trustees relate to financial controls, risk management within the operating subsidiaries, and investment. The policies in relation to financial controls and risk management are reviewed on an annual basis. In relation to investments, the Trustees review these in conjunction with investment advisors on a six-monthly basis.

Financial Controls: The Trustees operate on a day-to-day basis in accordance with their financial controls policy, which is formally reviewed and updated on an annual basis.

Operating Subsidiaries: there are detailed procedures in place in relation to risk management within the operating subsidiaries. In the case of Water Park Limited, the directors meet on a six-monthly basis as a Board and provide operational and financial reports to the Trustees on a biannual basis. In the case of Henmead Limited and its subsidiaries, the directors of these operational boards meet on a monthly basis and provide operational and financial reports to the Trustees on a quarterly basis. There are also a number of reserved matters that require the consent of the Trustees before they can be implemented by the operational boards of Henmead Limited and its subsidiaries. The Trustees meet with the auditors of Henmead Limited and of its operating subsidiaries at their June meeting to receive their annual audit report and discuss any recommendations arising, which informs the Trustees' approach to ongoing risk management within that operating subsidiary. The Finance Sub-Committee consisting of three Trustees meet with the auditors of the Eric Wright Charitable Trust at their September meeting to receive their annual audit report.

Investments: The Trustees receive quarterly reports from their Investment advisors, who also present their reports in person at the Trustees' meetings in June and December each year to give their advice and address any matters.

In addition to the above, the Trustees formally review risk management on an annual basis.

Charity Commission Governance Code
The Trustees have taken note of and followed the Charity Commission Governance Code where appropriate.

Remuneration
No Trustees are remunerated by the Charity. The Charity does not have any employees.

OBJECTIVES AND ACTIVITIES

Grant Making Policy
The Eric Wright Charitable Trust is a general charitable trust with unrestricted objects. However, the Trustees have prioritised donations to charitable activities based in the North West of England within the following sectors:

- Youth Development
- Elderly Care
- Education and Training
- Carers' Support Services
- Health Support Services
- Community and Voluntary Service Organisations
- Mental Health
- Child and Family Support

Procedures and policy for grant making
The Trustees operate the following Grants Programmes referred to as the Charitable Giving Strategy:

- a Major Grants programme for grants equal to and exceeding £20,000, typically for medium-sized charities. Charitable organisations are invited to apply for these following an initial review and meeting with one or more of the Trustees. Application for a Major Grant is by invitation only and by way of a formal Grant Application Form stating, inter alia, how the funds would be used, what would be achieved, how results would be measured, and providing constitutional and financial information.

- a Community Grants programme for grants between £5,000 and £20,000, typically for small to medium sized charities. Charitable organisations are invited to apply for these following an initial review and meeting with one or more of the Trustees. Application for a Community Grant is by invitation only and by way of a formal Grant Application Form stating how the funds would be used and providing constitutional and financial information.

- a Small Grants Programme for grants under £5,000, typically for small charities. Applications are made in the first instance by letter or via the Trust's website and are subject to such requirements as the Trustees believe are appropriate in relation to the nature of the applicant organisation and the size of the grant.

The Trustees deal with approvals under each Grant Programme in the manner they believe is appropriate to that Grant Programme.

Public Benefit
The Trustees confirm that they have had due regard to the Charity Commission's general guidance on public benefit in planning future strategy, developing grant-making policy and in making grants. The Trustees believe that the Charity achieves significant social benefit through the following activities:

- its operation of the Water Park facility, the public benefit of which is considered below
- its membership of the Eric Wright Learning Foundation, the public benefit of which is considered below
- its grant-making strategy, which aims at providing funding for charities, typically small and medium sized operating in the North West of England, which the Trustees believe provide a wide range of public benefit, with particular emphasis on the health, well-being and education of local residents and the development of local communities.

However, given that the Trust has unrestricted objects, the Trustees retain full discretion to make grants for any charitable purpose as they see fit, depending upon the circumstances.

Significant activities
The activities of the Charity are set out below.

ACHIEVEMENT AND PERFORMANCE

Charitable activities for the public benefit
During the year, the Trust continued to operate in furtherance of the objectives stated above. Its principal activities were as follows:

Water Park Outdoor Pursuits Centre
Water Park is an outdoor pursuit centre owned by the Trust on Coniston Water in the Lake District aimed at helping young people, many from disadvantaged backgrounds, to spend time in a wholly different learning environment and assist their self-development. The teachers from the respective schools stay with the children and frequently comment on the positive impact that the stay at Water Park has had. Comments include:

- *Improves young people's ability to work together and tolerate others*
- *Their resilience and perseverance is improved*
- *Young people who may struggle academically are allowed to shine in this different environment*
- *The opportunity to escape from a challenging home life and to be a child for a week is immeasurable*

The educational benefit of such courses can be seen from the fact that many bookings are return visits from schools who now see a visit to Water Park as an integral part of the broader curriculum.

The operation of Water Park is undertaken through a wholly owned subsidiary, Water Park Limited, the company responsible for running the centre. Day to day management and operation of the centre is delegated to a management team who, in turn, report to Water Park Limited.

Subsidies from the Trust are available for individuals or groups who cannot afford to attend. Applications for a subsidy are considered in accordance with guidelines established and periodically reviewed by the Trustees in order to ensure objectivity. This approach enables support to be focused towards groups or individuals where the need is greatest.

In the year to 31 December 2022, the total operating cost for Water Park was £1,214,000 (2021: £959,000). The Trustees' projections do not envisage Water Park Limited generating an operating surplus in the foreseeable future and as a consequence have factored an ongoing financial commitment in support of the subsidiary into the reserves policy. During the financial year under review the Trust provided funding of £770,000 to Water Park Limited.

The Trustees are satisfied that the Water Park facility meets the Charity Commission's guidance on public benefit.

TRUSTEES REPORT
for the Year Ended 31 December 2022

The Eric Wright Learning Foundation
The Trust is a member of the Eric Wright Learning Foundation, a charitable company limited by guarantee, and provides the funding to support its activities. The Learning Foundation works in partnership with Preston's College to provide vocational training for both the 14-16 and 16-18 learner cohorts in addition to scholarships for 16-18 students across the following trades:

- Brickwork
- Plastering & Joinery
- Painting & Decorating
- Plumbing
- Electrical

Support is provided by the Learning Foundation to 14-16 learners through mentoring, PPE, bursaries, and the opportunity to access apprenticeships or further training. During the financial year under review the Trust provided funding of £50,000 to The Eric Wright Learning Foundation.

Charitable Grant Making Strategy
During 2022, the Trustees delivered their charitable giving strategy by working with a wide number of organisations across the North West of England. Donations of £2,087,000 (2021: £1,266,000) were made to 102 registered charities predominantly working within the sectors listed below.

- Youth Development
- Elderly Care
- Education and Training
- Carers' Support Services
- Health Support Services
- Community and Voluntary Service Organisations
- Child and Family Support
- Mental Health

During the year additional funding was made available to the Trust. When surplus funds are available the Trustees look to distribute the funds through administering additional grant initiatives. In 2022 this included developing an emergency fund to address issues associated with the cost of living crisis; distributing grants to charities nominated by the employees of the Eric Wright Group of companies; and creating a large grant fund for CVS organisations.

Examples of some of the projects within these sectors that the Trustees have supported with Major Grants include:

Youth Development: a number of Youth Zones in the North West, which provide young people with local facilities that they can be proud of and activities which help them grow as responsible individuals and which make a significant difference to their lives on a daily basis.

Elderly: various Age UK and Age Concern organisations in providing much needed support for the community including information and advice services to help with a range of issues.

Mental Health: with a focus on young people, projects supported include providing therapeutic support for children and young people with inappropriate caring responsibilities, help building resilience and boost mental wellbeing, assist people to understand the things that are affecting them and develop coping strategies.

Carers Support Services: projects run by Carers' organisations for which the Trustees have provided financial support include: providing support specifically targeted at Young Adult Carers; employing a full time Young Carers' Support Worker to provide 1 to 1 support; specialist Dementia Carers' Support also including 1 to 1 and group support; and integration of the carers' service into new models of working.

Health: projects run by charities focused on health care and well-being for which the Trustees have provided financial support includes: an online digital library to provide quality information and support about sight loss; helicopter ambulances and rapid response vehicles that operate throughout the North West; and children and young people aged 8 to 18 years who are under the care of Child and Adolescent Mental Health Service (CAMHS).

Community and Voluntary Services: The Trustees have worked with a number of CVS organisations across the North West to provide Grant Funds managed by the local CVS organisation which can be accessed by small grass roots organisations, thereby building community cohesion and reducing social isolation.

FINANCIAL REVIEW

Principal funding sources
The Eric Wright Charitable Trust is funded by donations from Henmead Limited. Income generated by the managed investment portfolio is reinvested within the portfolio.

Investment policy and objectives
There are no restrictions on the Trustees' powers to invest. To the extent that future accumulated reserves exceed the Trust's short to medium-term objectives, the Trustees will be seeking to build reserves to strengthen the long-term sustainability of the Trust as well as to develop the flexibility to fund larger projects that also meet its criteria.

Investment performance
The Trust has three principal investments in addition to the cash balances retained to fulfil the operational reserves policy. These are the property at High Nibthwaite, Cumbria; the 100% shareholding in Henmead Limited; and a portfolio of investments managed by Brewin Dolphin Investment Managers.

High Nibthwaite
The property is rented out to Water Park Limited at an annual rent of £80,000 per annum, representing a return of 3.6% on the investment. The property is presently valued at £2,250,000 and is subject to three-yearly revaluations, with the last valuation undertaken in July 2021.

Henmead Limited
The Trust is sole shareholder of Henmead Limited, a subsidiary company with a net book value of £95,048,000. Financial results for Henmead Limited are published separately.

Managed Investment Portfolio
The managed investment portfolio was valued at £3,247,000 as at 31st December 2022. The Trustees have appointed professional investment advisors who advise on investment policy and strategy and asset allocation. The Trustees have aligned the investment risk profile with other charitable organisations and are confident that the investment strategy will serve the Trust well.

Reserves policy
It remains the policy of the Trust to maintain cash funds at a level that equates to a minimum of two years' committed expenditure at any one time. This would enable the Trust to honour its commitments and for the foreseeable future allow the Trust to make future pledges.

Under the terms of the Trust Deed, the General Fund is expendable at the Trustees' discretion. All unexpended funds are therefore held in the General Fund. The Trustees intend to continue monitoring the value of the General Fund in real terms to ensure that they are able to achieve both income and capital appreciation so as to maintain the existing level of charitable giving for the foreseeable future. At the year end the value of reserves held was £105,085,000.

Going concern
After making enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing the financial statements.

TRUSTEES REPORT
for the Year Ended 31 December 2022

PLANS FOR FUTURE PERIODS

The Trustees are satisfied the current Charitable Giving Strategy will provide the basis and guidance for future grant awards for the next three years. The Trustees will continue to evolve the strategy organically, although a full review is not intended for some time.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number
1002966

Principal address
Sceptre House
Sceptre Way
Bamber Bridge
Preston
Lancashire
PR5 6AW

Trustees
M E Collier
A D Sturrock (retired 28th June 2023)
H MacDonald
A Wright
J M Collier
M Newsholme
C J Wilson

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors
Fairhurst
Statutory Auditor
Chartered Accountants
Douglas Bank House
Wigan Lane
Wigan
Lancashire
WN1 2TB

Bankers
Royal Bank of Scotland PLC
Corporate Service Centre
PO Box 2027 Parklands
De Havilland Way
Bolton
BL6 4YU

TRUSTEES REPORT
for the Year Ended 31 December 2022

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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 Charity and of the incoming resources and application of resources, including the income and expenditure, of the Charity for that period. In preparing those financial statements, the Trustees are required to

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the Board of Trustees on 18/10/2023 and signed on its behalf by:

H MacDonald

H J MACDONALD
Trustee

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF THE ERIC WRIGHT CHARITABLE TRUST

Opinion

We have audited the financial statements of The Eric Wright Charitable Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Trust Balance Sheet, the Consolidated Cash Flow Statement, notes to the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 December 2022 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 Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE ERIC WRIGHT CHARITABLE TRUST

Matters on which we are required to report by exception
In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of trustees
As explained more fully in the Statement of Trustees Responsibilities, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but, is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances on non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework within which the Charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 and the Charities Statement of Recommended Practice (SORP).

We identified the greatest risk of material impact on the financial statement from irregularities, including fraud, to be the override of controls by management and the completeness of income. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing of journals and reviewing accounting estimates for biases, reading minutes of those charged with governance and designing audit procedures to test the timing of income.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with accounting standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with al laws and regulations.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE ERIC WRIGHT CHARITABLE TRUST

Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an 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 Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Fairhurst

Fairhurst
Statutory Auditor
Chartered Accountants (Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006)
Douglas Bank House
Wigan Lane
Wigan
Lancashire
WN1 2TB

Date: 19th October 2023

THE ERIC WRIGHT CHARITABLE TRUST

INTRODUCTION TO THE FINANCIAL STATEMENTS

for the Year Ended 31 December 2022

The Eric Wright Charitable Trust (the Charity) owns Water Park Limited and Henmead Limited, the latter being a group of non-charitable trading companies operating in the property and construction industry. Water Park Limited and Henmead Limited are wholly owned subsidiaries and, as required by charitable law, are consolidated into charitable accounts as presented in the Financial Statements on the subsequent pages.

The Statement of Financial Activities for the Charity has been reproduced below to present the activities of the Charity prior to the consolidation of the subsidiary companies (Henmead Limited and Water Park Limited).

	2022	2021
	£000	£000
INCOME AND ENDOWMENTS FROM:		
Donations and legacies	**3,520**	2,996
Investment income	**143**	122
	3,663	3,118
EXPENDITURE ON:		
Raising funds	**95**	98
Charitable activities:		
Financial assistance to Water Park Ltd	**841**	743
Grant to institutions other than Water Park Ltd	**2,137**	1,266
	3,073	2,107
Operating surplus	**590**	1,011
Net gains on investments	**11,661**	10,061
NET MOVEMENT IN FUNDS	**12,251**	11,072

A proportion of the profits from Henmead Limited (which trades through the Eric Wright Group of Companies) are donated annually to the Eric Wright Charitable Trust. The Charity uses the donation from Henmead Limited to support local charities as outlined in the Charitable Giving Strategy contained within the Trustees Report and listed in Note 10 of the accounts. Surpluses are invested in a managed share portfolio to provide future stability and fulfilment of the Charity's objectives.

THE ERIC WRIGHT CHARITABLE TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 December 2022

	Notes	2022 Total funds £'000	2021 Total funds £'000
INCOME AND ENDOWMENTS FROM			
Donations and legacies	2	1	1
Commercial trade operation	3	186,599	176,498
Charitable activities			
Third party fee income paid to Water Park	4	371	200
Other income	5	-	46
Investment income	6	63	42
Total incoming resources		187,034	176,787
RESOURCES EXPENDED			
Costs of generating funds			
Raising funds	7	42	22
Commercial trade operation	8	176,363	171,285
Charitable activities	9		
Grants to other Charitable bodies		2,137	1,266
Costs of operating Water Park and governance activities		1,185	985
Total resources expended		179,727	173,558
(Loss)/Gain on revaluation of investment property		(4,800)	4,965
Net (losses)/gains on investments		(500)	327
NET INCOME		2,007	8,521
Other recognised gains/(losses)			
Re-measurement of the net defined benefit liability		985	296
Share of comprehensive income/(loss) of joint ventures & associates		4,207	(1,377)
Effective portion of changes in fair value of cash flow hedge		7,088	3,713
Deferred tax on other comprehensive income		(2,036)	(81)
		10,244	2,551
Total income for the year		12,251	11,072
RECONCILIATION OF FUNDS			
Total funds brought forward		92,834	81,762
TOTAL FUNDS CARRIED FORWARD		105,085	92,834

THE ERIC WRIGHT CHARITABLE TRUST

CONSOLIDATED BALANCE SHEET
At 31 December 2022

	Notes	2022 Total funds £'000	2021 Total funds £'000
FIXED ASSETS			
Goodwill	15	**1,499**	1,406
Tangible assets	16	**4,191**	4,081
Investments			
Investments	17	**17,247**	9,473
Investment property	18	**92,656**	86,335
		115,593	101,295
CURRENT ASSETS			
Stocks	19	**20,324**	25,048
Debtors	20	**82,446**	84,040
Cash at bank		**21,692**	23,270
		124,462	132,358
CREDITORS			
Amounts falling due within one year	21	**(69,196)**	(63,490)
NET CURRENT ASSETS		**55,266**	68,868
TOTAL ASSETS LESS CURRENT LIABILITIES		**170,859**	170,163
CREDITORS			
Amounts falling due after more than one year	22	**(57,586)**	(67,256)
PROVISIONS FOR LIABILITIES			
Deferred tax liability	26	**(5,610)**	(6,407)
Pensions and similar obligations	27	**(2,482)**	(3,594)
Other provisions	28	**(96)**	(72)
NET ASSETS		**105,085**	92,834
FUNDS	29		
Unrestricted funds		**105,085**	92,834
TOTAL FUNDS		**105,085**	92,834

The financial statements were approved by the Board of Trustees on 18th October 2023
and were signed on its behalf by:

H MacDonald

H J MACDONALD
Trustee

THE ERIC WRIGHT CHARITABLE TRUST

TRUST BALANCE SHEET
31 December 2022

	Notes	2022 Total funds £'000	2021 Total funds £'000
FIXED ASSETS			
Tangible assets	16	**19**	21
Investments			
Investments	17	**98,294**	86,351
Investment property	18	**2,250**	2,250
		100,563	88,622
CURRENT ASSETS			
Debtors	20	**272**	294
Cash at bank		**4,381**	4,107
		4,653	4,401
CREDITORS			
Amounts falling due within one year	21	**(131)**	(189)
NET CURRENT ASSETS		**4,522**	4,212
TOTAL ASSETS LESS CURRENT LIABILITIES		**105,085**	92,834
CREDITORS			
Amounts falling due after more than one year	22	**-**	-
NET ASSETS		**105,085**	92,834
FUNDS	29		
Unrestricted funds		**105,085**	92,834
TOTAL FUNDS		**105,085**	92,834

The financial statements were approved by the Board of Trustees and authorised for issue on 18th October 2023 and were signed on its behalf by:

H J MACDONALD
Trustee

THE ERIC WRIGHT CHARITABLE TRUST

CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 December 2022

	Notes	2022 £'000	2021 £'000
Cash flows from operating activities:			
Cash generated from operations	1	**12,843**	6,334
Other comprehensive income (non-cash)		**(10,244)**	(2,551)
Movement in provisions		**(349)**	(478)
Tax paid		**(858)**	(555)
Net cash received by operating activities		**1,392**	2,750
Cash flows from investing activities:			
Purchase of intangible fixed assets		**(252)**	(371)
Purchase of tangible fixed assets		**(447)**	(227)
Purchase of fixed asset investments		**(4,227)**	(21)
Purchase of investment property		**(101)**	(3,238)
Sale of tangible fixed assets		**4,013**	66
payment of loans		**2,845**	407
New loans		**(3,406)**	(1,480)
Interest received		**9**	-
Dividends received		**294**	41
Net cash used in investing activities		**(1,272)**	(4,823)
Cash flows from financing activities:			
Loan repayments in year		**(2,351)**	(2,095)
Decrease in directors' loan		**653**	(190)
Net cash used in financing activities		**(1,698)**	(2,285)
Change in cash and cash equivalents in the reporting period		**(1,578)**	(4,358)
Cash and cash equivalents at the beginning of the reporting period	2	**23,270**	27,628
Cash and cash equivalents at the end of the reporting period	2	**21,692**	23,270

THE ERIC WRIGHT CHARITABLE TRUST

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 December 2022

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £'000	2021 £'000
Net income for the reporting period (as per the statement of financial activities)	**12,251**	11,072
Adjustments for:		
Depreciation charges	**433**	437
Gain on investments	**495**	(320)
Interest received	**(9)**	-
Dividends received	**(54)**	(41)
Revaluation of investment properties	**4,805**	(4,972)
Operating profit of joint ventures & associates	**(3,225)**	(1,550)
Taxation	**(527)**	3,011
(Increase) in stocks	**(6,297)**	(601)
Decrease/(increase) in debtors	**599**	(3,150)
Increase in creditors	**4,372**	2,448
Net cash provided by operating activities	**12,843**	6,334

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £'000	2021 £'000
Cash & cash equivalents	**21,692**	23,270
Total cash and cash equivalents	**21,692**	23,270

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2022

1. ACCOUNTING POLICIES

1.1 Basis of preparing the financial statements

The financial statements of the Charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

All amounts in the financial statements have been rounded to the nearest £1,000.

The Eric Wright Charitable Trust ("the Trust") is a Charitable Trust registered and domiciled in the UK.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the Trustees, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed later in accounting policies under the title 'Accounting estimates and judgements.'

1.2 Going concern

The Trust's activities are set out on the Trustees' report set out on pages 2 to 7. The financial position of the Trust is set out in the balance sheet on page 15. The financial risk and management of financial risk is explained in the Trustees' report.

The Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Consideration of going concern for subsidiary entities is made at Henmead level and the Trustees agree with the conclusion formed.

1.3 Basis of consolidation

The consolidated financial statements include the financial statements of the Charity and its subsidiary undertakings made up to 31 December 2022. A subsidiary is an entity that is controlled by the Charity. The results of subsidiary undertakings are included in the consolidated statement of financial activities from the date that control commences until the date that control ceases. Control is established when the Charity has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Henmead Limited group of companies referred to as Group, takes into consideration potential voting rights that are currently exercisable. The Henmead Limited group of companies is controlled by the Charity, consequently the gross income and expenditure from its operations are presented on the Statement of Financial Activities for both the current and the comparative period.

An associate is an entity in which the Group has significant influence, but not control, over the operating and financial policies of the entity. Significance influence is presumed to exist when the investor holds between 20% and 50% of the equity voting rights.

A joint venture is a contractual arrangement undertaking in which the Group exercises joint control over the operating and financial policies of the entity. Where the joint venture is carried out through an entity, it is treated as a jointly controlled entity. The Group's share of the profits less losses of associates and of jointly controlled entities is included in the consolidated profit and loss account and its interest in their net assets is recorded on the balance sheet using the equity method. Where there is no obligation, commitment or guarantee by the group to fund the joint venture operations or make payments on behalf of the investees and there is no intention to in the future, then the share of net liabilities recognised in the group consolidated balance sheet is restricted to the value of the investment made by the group.

Where a group company is party to a joint venture which is not an entity, that company accounts directly for its share of the income and expenditure, assets, liabilities and cash flows. Such arrangements are reported in the consolidated financial statements on the same basis.

1. ACCOUNTING POLICIES - continued

1.4 Basis of preparing the financial statements

In the consolidated financial statements, investments in subsidiaries, jointly controlled entities and associates are carried at cost less impairment. In the accounts of the Trust, the investments in subsidiaries are carried at Net Asset Value.

1.5 Classification of financial instruments issued by the group

In accordance with FRS 102.22, financial instruments issued by the group are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the group; and

(b) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

1.6 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in preference and ordinary shares

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognised in the Statement of Financial Activities. Other investments are measured at cost less impairment in the Statement of Financial Activities.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Charity's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Finance lease debtors

At the commencement of the lease term, a finance lease is recorded in the balance sheet as a receivable, at an amount equal to the net investment in the lease.

The net investment in a lease is the gross investment in the lease discounted at the interest rate implicit in the lease.

The gross investment in the lease is the aggregate of:

- The minimum lease payments receivable under a finance lease; and
- Any unguaranteed residual value accruing to the company.

1. ACCOUNTING POLICIES – continued

Finance lease debtors
Initial direct costs (costs that are incremental and directly attributable to negotiating and arranging a lease) are included in the initial measurement of the finance lease receivable and reduce the income recognised over the lease term.

Finance income is recognised based on a pattern reflecting a constant periodic rate of return on the net investment outstanding in respect of the finance lease.

1.7 Other financial instruments

Financial instruments not considered to be Basic financial instruments (Other financial instruments)
Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in the Statement of Financial Activities except as follows:

- investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment; and
- hedging instruments in a designated hedging relationship shall be recognised as set out overleaf.

Derivative financial instruments and hedging
Within the Trust no derivative financial instruments exist however, the below represents those derivative financial instruments that occur in the Henmead group accounts and are included in the Trust accounts on consolidation.

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

Fair value hedges
Within the Trust no fair value hedges exist however, the below represents those fair value hedges that occur in the Henmead group accounts and are included in the Trust accounts on consolidation.

Where a derivative financial instrument is designated as a hedge of the variability in fair value of a recognised asset or liability or an unrecognised firm commitment, all changes in the fair value of the derivative are recognised immediately in the Statement of Financial Activities. The carrying value of the hedged item is adjusted by the change in fair value that is attributable to the risk being hedged (even if it is normally carried at cost or amortised cost) and any gains or losses on remeasurement are recognised immediately in the income statement (even if those gains would normally be recognised directly in reserves). If hedge accounting is discontinued and the hedged financial asset or liability has not been derecognised, any adjustments to the carrying amount of the hedged item are amortised into the Statement of Financial Activities using the effective interest method over the remaining life of the hedged item.

Cash flow hedges
Within the Trust no cash flow hedges exist however, the below represents those cash flow hedges that occur in the Henmead group accounts and are included in the Trust accounts on consolidation.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in other comprehensive income. Any ineffective portion of the hedge is recognised immediately in the Statement of Financial Activities.

For cash flow hedges, where the forecast transactions resulted in the recognition of a non-financial asset or non-financial liability, the hedging gain or loss recognised in other recognised losses is included in the initial cost or other carrying amount of the asset or liability. Alternatively, when the hedged item is recognised in profit or loss the hedging gain or loss is reclassified to the Statement of Financial Activities. When a hedging instrument expires or is sold, terminated or exercised, or the entity discontinues designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

1. ACCOUNTING POLICIES - continued

1.8 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described below.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the Statement of Financial Activities on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- Freehold buildings	4% on cost
- Leasehold land and buildings	4% on cost
- Plant, machinery and scaffolding	15% on reducing balance
- Fixtures and fittings	15% on reducing balance
- Motor vehicles	25% on reducing balance
- Computer equipment	33% on cost

1.9 Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the entity.

At the acquisition date, the group recognises goodwill as:
- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

FRS 102.35 granted certain exemptions from the full requirements of FRS 102 in the transition period. The Group elected not to restate business combinations that took place prior to 1 January 2014. In respect of acquisitions prior to 1 January 2014, goodwill is included on the basis of its deemed cost, which represents the amount recorded under old UK GAAP. Intangible assets previously included in goodwill, are not recognised separately.

Goodwill in respect of the Joint Venture is amortised on a straight-line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be 21 years, the remaining period of the concession period for the lease plus agreement.

1. ACCOUNTING POLICIES - continued

1.10 Intangible assets and goodwill

Within the Trust no goodwill exists however, the below represents goodwill that occurs in the Henmead group accounts.

Goodwill in respect of Joint Ventures is amortised on a straight-line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill was estimated to be 21 years, the remaining period of the concession period for the lease plus agreement.

Intangible assets relate to computer software which is stated at cost less accumulated amortisation. Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful life which is 10 years.

1.11 Stock and work in progress

Stock and work in progress is stated at the lower of cost and net realisable value. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

1.12 Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition

i. investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in the Statement of Financial Activities in the period that they arise; and

ii. no depreciation is provided in respect of investment properties applying the fair value model.

1.13 Construction contract debtors

Within the Trust accounts no construction contract debtors exist however, the below represents those construction contract debtors that occur in the subsidiary accounts.

Amounts recoverable on long term contracts represents the gross unbilled amount for contract work performed to date. They are measured at cost plus profit recognised to date (see the revenue accounting policy) less a provision for foreseeable losses and less progress billings. Variations are included in contract revenue when they are reliably measurable and it is probable that the customer will approve the variation itself and the revenue arising from the variation. Claims are included in contract revenue only when they are reliably measurable and negotiations have reached an advanced stage such that it is probable that the customer will accept the claim. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the entity's contract activities based on normal operating capacity.

Amounts recoverable on long term contracts are presented as part of trade debtors in the balance sheet. If payments received from customers exceed the income recognised, then the difference is presented as payments on account in the balance sheet.

1. ACCOUNTING POLICIES - continued

1.14 Impairment excluding stocks, investment properties and deferred tax assets

Financial assets (including trade and other debtors)
A financial asset not carried at fair value through the Statement of Financial Activities is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment, an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in the Statement of Financial Activities. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the Statement of Financial Activities.

Non-financial assets
Within the Trust accounts no non-financial assets exist however, the below represents those Non-financial assets that occur in the subsidiary accounts.

The carrying amounts of the entity's non-financial assets, other than investment property, stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire group of entities into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Financial Activities. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1. ACCOUNTING POLICIES - continued

1.15 Employee benefits

Defined contribution plans and other long term employee benefits
A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The amount charged to the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting period. Differences between contributions payable in the year and contributions actually paid are shown as either other creditors or prepayments in the balance sheet.

Defined benefit plans
Within the Trust no defined benefit plans exist however, the below represents those defined benefit plans that occur in the Henmead group accounts and included in the Trust accounts on consolidation.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The entity's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The entity determines the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dates approximating, to the terms of the entity's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in the Statement of Financial Activities.

Remeasurement of the net defined benefit liability is recognised in other comprehensive income in the period in which it occurs.

1.16 Provisions
A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Trust enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability in its individual financial statements until such time as it becomes probable that the company will be required to make a payment under the guarantee.

1. ACCOUNTING POLICIES - **continued**

1.17 Expenses

Operating lease
Within the Trust no operating leases exist however, the below represents operating leases that occur in the Henmead group accounts and are included in the Trust accounts on consolidation.

Payments (excluding costs for services and insurance) made under operating leases are recognised in the Statement of Financial Activities on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Finance lease
Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Interest receivable and Interest payable
Interest payable and similar charges include interest payable, finance charges and finance leases recognised in the Statement of Financial Activities using the effective interest method and unwinding of the discount on provisions that are recognised in the Statement of Financial Activities.

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains. Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the Statement of Financial Activities on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.18 Taxation
No taxation has been charged in respect of the Charity but the below relates to subsidiary entities which are subject to taxation.

Tax on the profit or loss for the year for trading subsidiaries comprises current and deferred tax. Tax is recognised in the statement of financial activities except to the extent that it relates to items recognised directly in equity or other gains and losses, in which case it is recognised directly in equity or other gains and losses.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, associates and joint ventures to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1. ACCOUNTING POLICIES - continued

1.19 Government grants

Grants are accounted for under the accruals model. Grants of a revenue nature are recognised in the SOFA and profit and loss account in the same period as the related expenditure.

1.20 Accounting estimates and judgements

(a) Key sources of estimation uncertainty in applying the Group's accounting policies
Preparation of the financial statements requires the Trustees to make estimates. The items across the group statements where these estimates have been made include:

Contract turnover, Amounts recoverable on contracts and provisions
The amount of profit attributable to the stage of completion of a long-term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty however there is inherent judgement in this assessment. Turnover for such contracts is stated by reference to the costs incurred as a proportion of the total anticipated contract costs, less amounts recognised in previous years. Where the outcome cannot be reasonably foreseen, revenue is recognised to the extent of costs expensed as incurred. Amounts recoverable on contracts represent the gross unbilled amount for contract work performed to date. Provision is made for any losses as soon as they are foreseen. The provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Life cycle provision

The Eric Wright Group has contractual obligations to maintain properties owned by LIFT entities and other third parties over the lives of those assets. The receipts are under contract however the timing and quantum of costs differs resulting in a provision on the balance sheet. Due to the duration of the life cycle contracts, there is uncertainty regarding the timing and extent of the costs required to maintain the assets and judgement is therefore required in order to assess sufficiency.

Trade debtors
Held within trade debtors are contract trade debtors that represent billed amounts for contract work performed to date. Contract trade debtors are regularly reported and monitored to ensure the full amount is recovered. Provision is made for doubtful debts.

Defect period provision

During the current year, new legislation has been introduced which has resulted in an extension to the limitation period within the Building Safety Act. This creates the potential for future liabilities on a small number of buildings which were constructed in the past 30 years. A provision for future costs has been calculated based on the information currently available, consequently £0.7m has been included within accruals.

(b) Critical accounting judgements in applying the Group's accounting policies
Certain critical accounting judgements (apart from those involving estimations included above) in applying the Group's accounting policies are described below.

Investment property
Investment properties are initially recognised at cost. Subsequent to initial recognition investment properties whose fair value can be measured reliably are held at fair value. Whilst the investment properties are valued by external experts, there are a number of judgements adopted in respect of items such as yield and lease renewals which affect the overall valuation.

Loans to joint ventures
Loans to joint ventures are initially recognised at cost. The loans are reviewed annually for impairment via a review of the joint ventures cash flow forecast. No impairment is recognised as future trading and cash flow forecasts demonstrate the joint ventures have sufficient funds to meet repay the loans as they fall due.

1. ACCOUNTING POLICIES - continued

Accounting estimates and judgements – continued

Investments in joint ventures
To the extent that the Henmead group have no legal or constructive obligation to fund the share of historic losses recognised in the joint ventures the value of the investment is restricted to the value of the investments made.

Classification of financial instruments
Financial instruments are recognised initially at fair value. Subsequent to initial recognition financial instruments are measured at fair value with changes recognised in the Statement of Financial Activities. Where the financial instrument falls under the classification of hedging instruments and is in a designated hedging relationship the effective part of any gain or loss on the derivative financial instrument is recognised directly in other gains and losses. Any ineffective portion of the hedge is recognised immediately in the Statement of Financial Activities. The assessment of hedge effectiveness requires judgement.

Defined benefit plan
The Group's net obligation in respect of defined benefit plans is calculated each year by a qualified Actuary and using the estimates set out in note 27. Full provision for the liability is recognised in the Group accounts.

2. DONATIONS AND LEGACIES

The grant income can be represented as:

	2022 £'000	2021 £'000
Other	1	1

3. COMMERCIAL TRADE OPERATIONAL INCOME

	2022 £'000	2021 £'000
Group turnover	168,027	163,853
Other operating income – rental income	5,405	6,105
Other operating income – CJRS income	-	501
Share of profit in Joint Ventures	3,224	1,548
Share of profit in Associates	1	2
Income from investment	5,787	-
Interest receivable and similar income	4,155	4,489
	186,599	176,498

Commercial trade operational income relates to the Henmead Limited group of companies.

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2022 £'000	2021 £'000
Water Park fees received	Third party fee income paid to Water Park	371	200

5. OTHER INCOME

	2022 £'000	2021 £'000
CJRS grant income received – Water Park	-	46

6. INVESTMENT INCOME

	2022 £'000	2021 £'000
Other fixed asset investment	54	42
Deposit account interest	9	-
	63	42

7. RAISING FUNDS

Other trading activities

	2022	2021
	£'000	£'000
Purchases	42	22

8. COMMERCIAL TRADE OPERATION EXPENDITURE

	2022	2021
	£'000	£'000
Cost of sales	148,315	143,377
Administrative expenses	23,502	21,979
Interest payable and similar expenses	3,109	2,912
Cost related to investment	1,958	-
Tax on profit on ordinary activities	(527)	3,011
Dividend to minority interest	6	6
	176,363	171,285

Commercial trade operational expenditure relates to the Henmead Limited group of companies.

9. CHARITABLE ACTIVITIES COSTS

	Direct costs	Grant funding of activities (See note 10)	Support costs (See note 11)	Totals
	£'000	£'000	£'000	£'000
Costs of operating Water Park	1,090	-	-	1,090
Governance costs	-	-	95	95
Grants to other Charitable bodies	-	2,137	-	2,137
	1,090	2,137	95	3,322

10. GRANTS PAYABLE

	2022	2021
	£'000	£'000
Grants to other Charitable bodies	2,137	1,266

	2022	2021
	£'000	£'000
Grants paid to institutions other than Water Park Limited are categorised into the following sectors:		
Health	411	272
Mental Health	377	112
Youth	310	196
Carers	295	200
Child and Family Support	289	154
Elderly	270	180
Community Voluntary Services	125	74
Education & Training	50	61
Other	10	17
	2,137	1,266

11. CHARITABLE SUPPORT COSTS

Support costs, included in the above, are as follows:
Governance costs

	2022	2021
	£'000	£'000
Recharge of administrative resources	49	52
Auditors' remuneration	15	16
Accountancy and legal fees	30	30
Trustees and sundry expenses	1	-
	95	98

Audit fees across the group are disclosed as:

	2022	2021
	£'000	£'000
Trust auditor (Fairhurst):		
Audit of Trust and Water Park subsidiary	15	16
Henmead Limited auditor:		
Audit of Henmead Limited financial statements	7	6
Audit of financial statements of subsidiaries of Henmead Limited	160	129
Taxation advisory services	29	23
	211	174

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits payable by the Trust for the year ended 31 December 2022 nor for the year ended 31 December 2021.

However, during the year two Trustees received benefits for their former role as a director of two of the non-charitable trading subsidiaries (2021: two). One Trustee also received remuneration for supplying ad hoc professional advisory services to subsidiaries within the Henmead Limited group (2021: two).

Trustees' expenses

During the year Trustees were reimbursed a total of £51 (2021: £52) to cover out of pocket expenses.

Directors' remuneration and key management personnel

During the year Directors' and key management personnel of the Henmead group were compensated for their services as follows:

	2022 £'000	2021 £'000
Directors' remuneration	2,244	1,958
Benefits in kind	10	2
Company contributions to money purchase pension plans	35	31
	2,289	1,991

Information regarding the highest paid director is as follows:

	2022 £'000	2021 £'000
Remuneration	1,276	1,114

Retirement benefits are accruing to one (2021: one) director under a defined contribution scheme.

The remuneration of the Directors of Henmead Limited is disclosed above.
The additional remuneration of the Directors of Eric Wright Group Limited (key management personnel) is set out below.

	2022 £'000	2021 £'000
Key management personnel remuneration	1,211	1,201

13. STAFF NUMBERS AND COSTS

The average number of persons employed by the Group (including Trustees) during the year, analysed by category, was as follows:

	2022 No.	2021 No.
Direct labour	371	321
Administration	432	389
	803	710

The aggregate payroll costs of these persons were as follows:

	2022 £'000	2021 £'000
Wages and salaries	36,389	29,911
Social security costs	3,654	3,040
Contributions to defined contribution plans	3,343	2,925
	43,386	35,876

14. TAXATION

During the year no tax was directly payable by the Trust. Taxation was paid by subsidiary entities and is disclosed in note 8.

15. INTANGIBLE ASSETS

Group	Software £'000
COST	
At 1 January 2022	1,569
Additions	252
At 31 December 2022	1,821
AMORTISATION	
At 1 January 2022	163
Amortisation charge for year	159
At 31 December 2022	322
NET BOOK VALUE	
At 31 December 2022	1,499
At 31 December 2021	1,406

Trust
The trust does not hold any goodwill or intangible assets.

16. TANGIBLE FIXED ASSETS

Group	Freehold property £'000	Long leasehold £'000	Plant and machinery £'000
COST			
At 1 January 2022	3,586	515	2,430
Additions	-	-	281
Disposals	-	-	(100)
At 31 December 2022	3,586	515	2,611
DEPRECIATION			
At 1 January 2022	337	319	2,074
Charge for year	33	22	108
Eliminated on disposal	-	-	(45)
At 31 December 2022	370	341	2,137
NET BOOK VALUE			
At 31 December 2022	**3,216**	**174**	**474**
At 31 December 2021	3,249	196	356

	Fixtures and fittings £'000	Motor vehicles £'000	Totals £'000
COST			
At 1 January 2022			
Additions	2,195	388	9,114
Transfers to intangible assets	110	56	447
Disposals	(37)	(46)	(183)
At 31 December 2022	2,268	398	9,378
DEPRECIATION			
At 1 January 2022	2,020	283	5,033
Charge for year	74	29	266
Eliminated on disposal	(33)	(34)	(112)
At 31 December 2022	2,061	278	5,187
NET BOOK VALUE			
At 31 December 2022	**207**	**120**	**4,191**
At 31 December 2021	175	105	4,081

16. TANGIBLE FIXED ASSETS - continued

Land and buildings

The net book value of land and buildings in tangible fixed assets and investment properties comprises:

	2022	2021
	£'000	£'000
Freehold	65,674	57,072
Long leasehold	30,198	32,512
Short leasehold	174	196
	96,046	89,780

Trust	Fixtures and fittings
	£'000
COST	
At 1 January 2022 and 31 December 2022	204
DEPRECIATION	
At 1 January 2022	183
Charge for year	2
At 31 December 2022	185
NET BOOK VALUE	
At 31 December 2022	19
At 31 December 2021	21

17. FIXED ASSET INVESTMENTS

Group	Loans to Joint Ventures	Interests in Joint Ventures	Investment in associates	Share portfolio	Cash and settlements pending	Total
	£'000	£'000	£'000	£'000	£'000	£'000
COST OR MARKET VALUE						
At 1 January 2022	15,711	(145)	362	3,371	119	19,418
Additions	-	-	3,074	2,071	2,157	7,302
Disposals	-	-	-	(1,853)	(2,092)	(3,945)
New loans provided	332	-	-	-	-	332
Repayment of loans	(2,845)	-	-	-	-	(2,845)
Revaluation	-	-	-	(500)	-	(500)
Share of profit	-	2,267	1	-	-	2,268
At 31 December 2022	13,198	2,122	3,437	3,089	184	22,030
PROVISIONS						
At 1 January 2022	(9,945)	-	-	-	-	(9,945)
Movement in provision	5,162	-	-	-	-	5,162
At 31 December 2022	(4,783)	-	-	-	-	(4,783)
NET BOOK VALUE AT 31 DECEMBER 2022	8,415	2,122	3,437	3,089	184	17,247
At 31 December 2021	5,766	(145)	362	3,371	119	9,473

17. FIXED ASSET INVESTMENTS - continued

Trust

	Share portfolio £'000	Unlisted investments £'000	Cash and settlements pending £'000	Totals £'000
FAIR VALUE				
At 1 January 2022	3,341	82,892	118	86,351
Additions	2,070	-	2,157	4,227
Disposals	(1,854)	-	(2,091)	(3,945)
Revaluations	(495)	12,156	-	11,661
At 31 December 2022	3,062	95,048	184	98,294
NET BOOK VALUE				
At 31 December 2022	**3,062**	**95,048**	**184**	**98,294**
At 31 December 2021	3,341	82,892	118	86,351

There were no investment assets outside the UK.

The Trust's investments in unlisted companies at the balance sheet date were:

Company	Percentage holding	Country of incorporation	Nominal value £
Henmead Limited	100	England	100
Water Park Limited	100	England	1

18. INVESTMENT PROPERTY

	2022 £'000 Group	2022 £'000 Trust
FAIR VALUE		
At 1 January 2022	**86,335**	**2,250**
Additions	**101**	**-**
Transfers	**11,020**	**-**
Net gain from fair value adjustments	**(4,800)**	**-**
At 31 December 2022	**92,656**	**2,250**
NET BOOK VALUE		
At 31 December 2022	**92,656**	**2,250**
At 31 December 2021	**86,335**	**2,250**

All investment properties are held at fair value. All such group assets were valued at 31 December 2022 (Trust asset was last valued during the financial year ended December 2021) at market value on the basis of existing use by Avison Young or Cushman and Wakefield, Chartered Surveyors, external independent valuers, having an appropriate recognised professional qualification (The Royal Institute of Chartered Surveyors) and recent experience in the location and class of property being valued.

19. STOCKS

	Group 2022 £000	Group 2021 £000	Trust 2022 £000	Trust 2021 £000
Work in progress	**20,324**	25,048	-	-
	20,324	25,048	-	-

The write-down of stocks to net realisable value through cost of sales amounted to £548,000 *(2021: £472,000)*. Offsetting this is a write-back of a previous impairment of £170,000 *(2021: £300,000)*. Within work in progress are assets totalling £nil *(2021: £11.0m)* which were generating incidental rental income however were available for immediate disposal at the balance sheet date. A sale was being progressed during late 2021 and early 2022 in relation to the two assets in work in progress in the prior year however both sales fell through. The assets have consequently been moved to investment property during 2022 at fair value (see note 18).

20. DEBTORS

	Group 2022 £000	Group 2021 £000	Trust 2022 £000	Trust 2021 £000
Amounts falling due within one year				
Finance lease debtor receivable	**2,001**	1,746	-	-
Trade debtors	**18,899**	20,515	-	-
Amounts recoverable on long term contracts	**16,833**	14,909	-	-
Amounts due from subsidiaries	-	-	**235**	279
Corporation tax	**176**	-	-	-
VAT	-	-	**13**	15
Prepayments	**5,289**	4,421	**24**	-
Deferred tax	**894**	2,617	-	-
Financial Instruments	**719**	165	-	-
Other debtors	**2,503**	3,237	-	-
	47,314	47,610	**272**	294
Due after more than one year				
Finance lease debtor receivable	**33,037**	35,126	-	-
Trade debtors	**2,095**	1,304	-	-
	82,446	84,040	**272**	294

Amounts owed by group undertakings are non-interest bearing and repayable on demand. Within debtors due after one year are trade debtors in relation to retentions receivable on contracts after more than one year.

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022 £000	Group 2021 £000	Trust 2022 £000	Trust 2021 £000
Bank loans and overdraft	2,507	2,351	-	-
Payments on account	7,599	6,689	-	-
Trade creditors	23,979	21,230	-	-
Amounts due to subsidiaries	-	-	96	72
Taxation and social security	5,606	4,846	-	-
Other creditors	16,315	14,725	-	-
Accruals and deferred income	7,505	8,616	35	117
Director's loan accounts	5,685	5,033	-	-
	69,196	63,490	131	189

Included within directors' loan accounts due within one year are loans due to R E Wright (Director). Amounts due to R E Wright are £5,685,000 (2021: £5,033,000). The maximum amount outstanding in the year to R E Wright was £5,685,000 (2021: £5,224,000).

Amounts owed are non-interest bearing and repayable on demand.

22. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2022 £000	Group 2021 £000	Trust 2022 £000	Trust 2021 £000
Bank loans	52,050	54,557	-	-
Deferred Income	4,708	5,337	-	-
Financial instruments	828	7,362	-	-
	57,586	67,256	-	-

Details on financial instruments are included in note 25.

23. INTEREST-BEARING LOANS AND BORROWING

This note provides information about the contractual terms of Henmead's interest-bearing loans and borrowings, which are measured at amortised cost.

	2022 £'000	2021 £'000
Loans and overdrafts can be analysed as falling due:		
In one year or less	2,507	2,351
Between one and two years	14,610	17,107
Between two and five years	19,611	17,953
In five years or more	17,829	19,497
	54,557	56,908

Secured creditors can be analysed as follows:

	2022 £'000	2021 £'000
Creditors falling due in less than one year		
Secured bank loans and overdraft	2,507	2,351

23. INTEREST-BEARING LOANS AND BORROWINGS – continued

	2022	2021
	£'000	£'000
Creditors falling due in more than one year		
Secured bank loans	**52,050**	54,557

Bank loans are secured on certain investment properties of Eric Wright Group Limited, a subsidiary of Henmead Limited, and other group companies.

All financial liabilities are denominated in UK pounds sterling. The financial liabilities carry floating rates of interest, based upon market rates prevailing at the time. Some of these financial liabilities have been swapped to a fixed interest rate.

Interest rate swaps, denominated in pounds sterling have been entered into to protect the maximum interest expense to which the Group is exposed. These swaps with an underlying debt value of £39,490,000 (*2021:* £41,841,000) enable the Group to swap floating rate liabilities on loans to a fixed rate liability. The floating rate was historically LIBOR however beyond 31 December 2021 this has been replaced by SONIA with all remaining commercial terms unchanged and no financial impact. The period of these swap arrangements ranges from 2 to 15 years as at 31 December 2022. This capped the maximum interest payable by the Group to December 2022 at 5.87%.

The interest paid by the Group on its bank floating rate liabilities was at a rate of SONIA plus a margin of 2% to 2.7% (2021: LIBOR plus 2% to 2.7%).

Terms and debt repayment schedule

Group	Currency	Nominal interest rate	Year of maturity	Repayment schedule	2022 £000	2021 £000
Term loan 1	£ GBP	Sonia + 2.7%	2024	Amortising	**12,800**	13,200
Revolving Credit Facility	£ GBP	Sonia + 2%	2025	Revolving Credit Facility	**15,000**	15,000
Debenture loans	£ GBP	Sonia + 2%	-	Subordinated debt	**67**	67
Term loan 2	£ GBP	Sonia + 1%	2024	Amortising	**1,323**	1,979
Term loan 3	£ GBP	Sonia + 0.97%	2030	Amortising	**4,450**	4,907
Term loan 4	£ GBP	Sonia + 2.1%	2037	Amortising	**20,917**	21,755
					54,557	56,908

Following a refinance completed in December 2019, Term loan 1 is an amortising 5 year term loan with annual capital repayments of £400,000. The residual £12m loan will fall due for final repayment in December 2024.

The Revolving Credit Facility ("RCF") is drawn for a fixed period, agreed in advance with the bank. The RCF is either repaid at the end of the fixed period or the period extended. The RCF facility was refinanced in December 2021 for a 42 month period to June 2025. The available facility is £25m with an Accordion of £10m which can be requested in the first 30 months of the facility term.

The debenture loan is unsecured and no redemption date has been set.

The term loans 2-4 are repaid bi-annually and full repayment will be made by the expiry date and relate to the Group's PFI arrangement.

24. OTHER FINANCIAL LIABILITIES

	Group 2022 £000	Group 2021 £000	Trust 2022 £000	Trust 2021 £000
Liabilities				
Amounts falling due after more than one year				
Other financial liabilities designated as fair value through other comprehensive income	**828**	**7,362**	-	-
	828	**7,362**	-	-

	Group 2022 £000	Group 2021 £000	Trust 2022 £000	Trust 2021 £000
Assets				
Amounts recoverable after more than one year				
Other financial assets designated as fair value through other comprehensive income	**719**	**165**	-	-
	719	**165**	-	-

25. FINANCIAL INSTRUMENTS

(a) Carrying amount of financial instruments

The carrying amounts of the financial assets and liabilities include:

	Notional amount £'000	Maturity year	Fixed rate %	Fair value 2022 £'000	Fair value 2021 £'000
Liabilities measured at amortised cost					
Interest rate swap 1	1,329	2024	5.865	**(26)**	(168)
Interest rate swap 2	4,406	2030	5.400	**(204)**	(979)
Interest rate swap 3	20,918	2037	4.400	**(598)**	(6,215)
				(828)	(7,362)

	Notional amount £000	Maturity Year	Fixed Rate %	Fair value asset 2022 £000	Fair value asset 2021 £000
Assets measured at amortised cost					
Interest rate swap 4	9,000	2024	0.545	719	165

(b) Financial instruments measured at fair value

Derivative financial instruments

The fair value of interest rate swap and interest rate caps is based on broker quotes. Those quotes are tested for reasonableness by comparing against prior year valuations, market interest rates and valuations for similar instruments at the measurement date.

25. FINANCIAL INSTRUMENTS – continued

(c) Hedge accounting

To hedge the potential volatility in future interest cash flows arising from movements in SONIA, the Group has entered into swap agreements with RBS, the Bank of Tokyo Mitsubishi, Santander and Co-operative Bank. These result in the Group paying the floating interest rate and receiving and/or paying a fixed interest rate on the swaps. This effectively fixes the interest cost on the loans.

The derivatives are accounted for as a hedge of variable interest rate risks, in accordance with FRS 102. The cash flows arising from the interest rate swaps will continue until their maturity, coinciding with the repayment of the loans.

The following table indicates the periods in which the cash flows associated with cash flow hedging instruments are expected to occur as required by FRS 102.29(a) for the cash flow hedge accounting models:

	2022						2021					
	Carrying Amount £000	Expected cash flows £000	1 year or less £000	1 to <2years £000	2 to <5years £000	5 years and over £000	Carrying amount £000	Expected cash flows £000	1 year or less £000	1 to <2years £000	2 to <5years £000	5years and over £000
Interest rate swaps:												
Liabilities	35,653	13,807	1,775	1,637	4,070	6,325	37,605	15,714	1,907	1,775	4,453	7,579
	35,653	13,807	1,775	1,637	4,070	6,325	37,605	15,714	1,907	1,775	4,453	7,579

The change in fair value in the period is recognised in other comprehensive income as the swaps were 100% effective hedges.

(d) Fair values

The amounts for all financial assets and financial liabilities carried at fair value are as follows:

	Fair value	Fair value
	2022	2021
	£'000	£'000
Interest rate swaps – liabilities	(828)	(7,362)
Interest rate swaps – assets	719	165
	(109)	(7,197)

26. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are attributable to the following:

	Group	Group	Trust	Trust
Held in provisions for liabilities and charges	2022	2021	2022	2021
	£000	£000	£000	£000
At 1 January	6,407	3,786	-	-
Profit and loss account (credit)/charge	(1,182)	2,482	-	-
Amount recognised in other comprehensive income	385	139	-	-
At 31 December	5,610	6,407	-	-

26. DEFERRED TAX ASSTES AND LIABILITIES - continued

Held in debtors	Group 2022 £000	Group 2021 £000	Trust 2022 £000	Trust 2021 £000
At 1 January	(2,617)	(2,577)	-	-
Profit and loss accounts charge	72	18	-	-
Amount recognised in other comprehensive income	1,651	(58)	-	-
At 31 December	(894)	(2,617)	-	-

Deferred tax liability	Group 2022 £000	Group 2021 £000	Trust 2022 £000	Trust 2021 £000
Accelerated capital allowances	3,517	3,489	-	-
Other timing differences	39	105	-	-
Short term timing differences financial instruments	86	(299)	-	-
Other short term timing differences	1,968	3,112	-	-
	5,610	6,407	-	-

Deferred tax asset	2022 £000	2021 £000	2022 £000	2021 £000
Accelerated capital allowances	28	35	-	-
Other timing differences	96	129	-	-
Short term timing differences relating to pension provision	620	899	-	-
Short term timing differences - financial instruments	150	1,554	-	-
	894	2,617	-	-

27. EMPLOYEE BENEFITS

Henmead Limited operates a pension scheme providing benefits to a finite number of long serving retired employees based on an ex-gratia pension determined by the Chairman. The pension scheme has no assets and the pension scheme liability is recognised in full in the balance sheet and detailed below.

The information disclosed below is in respect of the whole of the plan and for which Henmead Limited is legally responsible.

Net pension liability	2022 £'000	2021 £'000
Defined benefit obligation	2,482	3,594
Net pension liability	2,482	3,594

Movements in present value of defined benefit obligation	2022 £'000	2021 £'000
At 1 January	3,594	4,104
Interest expense	162	82
Remeasurement: actuarial (gains)	(985)	(296)
Benefits paid	(289)	(296)
Net pension liability	2,482	3,594

27. EMPLOYEE BENEFITS - continued

Expense recognised in the SOFA	2022 £'000	2021 £'000
Net interest on net defined benefit liability	162	82
Total expense recognised in the SOFA	162	82

Principal actuarial assumptions (expressed as weighted averages) at the year-end were as follows:

	2022 %	2021 %
Discount rate	4.50	2.00

The last full actuarial valuation was performed on 31 December 2022. The amount for the current and four previous periods are as follows:

	2022 £000	2021 £000	2020 £000	2019 £000	2018 £000
Present value of scheme liabilities	(2,482)	(3,594)	(4,104)	(3,993)	(3,902)
Experience adjustments on scheme liabilities	(985)	(296)	(367)	(319)	(97)

In valuing the liabilities of the pension fund at 31 December 2022, mortality assumptions have been made as indicated below.

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality table and include an allowance for future improvements in longevity.

The assumptions are equivalent to expending a 75 year old to live for a number of years as follows:

	2022 Years	2021 Years
Female	14	14
Male	12	12

Defined contribution plans

Group

The Group operates a number of defined contribution pension plans.

The total expense relating to these plans in the current year was £3,285,000 (2021: £2,925,000) and the amount due to the scheme at the year-end is £460,000 (2021: £ 277,000) and is included in other creditors.

28. OTHER PROVSIONS

Other provisions represent a dilapidation provision for a property operated by the Trust.

Included within the Water Park accounts are provisions for lease dilapidation of £96,000 (2021: £72,000).

29. MOVEMENT IN FUNDS

	At 1/1/22 £'000	Net movement in funds £'000	Transfer between funds £'000	At 31/12/22 £'000
Unrestricted funds				
General fund	90,556	12,251	11	102,818
Designated fund	2,267	-	-	2,267
Designated (Stoves)	2	-	(2)	-
Wright Lodge fit out costs	9	-	(9)	-
	92,834	12,251	-	105,085
TOTAL FUNDS	92,834	12,251	-	105,085

Net movement in funds, included in the above are as follows

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
Unrestricted funds				
General fund	187,034	(179,727)	4,944	12,251
Wright Lodge fit out costs	-	-		
	187,034	(179,727)	4,944	12,251
TOTAL FUNDS	187,034	(179,727)	4,944	12,251

Comparatives for movement in funds

	At 1/1/21 £'000	Net movement in funds £'000	At 31/12/21 £'000
Unrestricted Funds			
General fund	79,481	11,075	90,556
Designated fund	2,267	-	2,267
Designated (Stoves)	2	-	2
Wright Lodge fit out costs	12	(3)	9
	81,762	11,072	92,834
TOTAL FUNDS	81,762	11,072	92,834

29. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
Unrestricted funds				
General fund	176,787	(173,555)	7,843	11,075
Wright Lodge fit out costs	-	(3)	-	(3)
	176,787	(173,558)	7,843	11,072
TOTAL FUNDS	176,787	(173,558)	7,843	11,072

The designated fund reflects the value of the property, which has been designated for the use of the Water Park, and the grant received for the purchase of certain fixed assets, which is being released in line with the depreciation of the fixed assets purchased.

During 2010 a donation was received towards the costs of Stoves. This was transferred to a separate designated fund. Depreciation of the Stoves in Water Park Limited accounts are covered by a grant paid out of the Stoves Designated Fund.

During 2012 a donation was received towards the fit-out costs of the Wright Lodge Building. This was transferred to a separate designated fund. Depreciation of the fit-out costs in Water Park Limited accounts are covered by a grant paid out of the Fit Out Designated Fund.

At the end of the financial year, the remaining reserves held within the Stoves and Wright Lodge funds were transferred into the General fund, by the agreement of the board.

30. LEASING AGREEMENTS

Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Group 2022 £000	Group 2021 £000	**Trust 2022 £000**	Trust 2021 £000
Less than one year	**1,552**	1,283	-	-
Between one and five years	**2,907**	2,630	-	-
More than five years	**19,390**	19,595	-	-
	23,849	23,508	-	-

During the year £1,271,000 was recognised as an expense in the profit and loss account of the Henmead Limited group in respect of operating leases (2021: £1,031,000).

30. LEASING AGREEMENTS -continued

Leases as lessor

The investment properties held by Henmead Limited are let under operating leases. The future minimum lease payments receivable under non-cancellable leases are as follows:

	Group 2022 £000	Group 2021 £000	Trust 2022 £000	Trust 2021 £000
Less than one year	4,927	5,571	-	-
Between one and five years	14,466	15,022	-	-
More than five years	55,978	54,025	-	-
	75,371	74,618	-	-

There are no individual material leasing arrangements requiring disclosure.

Finance leases

Leases as lessor

The Group has finance leases in connection with its PFI arrangements. The minimum lease receivable payment receivable at the end of the reporting period are as follows:

	Minimum lease receivable 2022 £000	Interest 2022 £000	Principal 2022 £000	Minimum lease receivable 2021 £000	Interest 2021 £000	Principal 2021 £000
Within one year	4,746	2,745	2,001	4,630	2,884	1,746
Greater than one year and less than two years	4,961	2,572	2,389	4,769	2,737	2,032
Greater than two years and less than five years	14,467	6,474	7,993	14,909	7,080	7,829
Greater than five years	31,880	9,225	22,655	36,385	11,120	25,265
	56,054	21,016	35,038	60,693	23,821	36,872

31. COMMITMENTS

The Group and the Trust have no contractual commitments to purchase tangible fixed assets at either the current or prior year-end.

In respect of interests in Jointly Controlled Entities, the Group and the Trust have no commitment to incur capital expenditure at either the current or prior year end.

32. CONTINGENT LIABILITIES

There is a cross guarantee in place in relation to the Group's Revolving Credit Facility between a number of Group companies. This is supported by a first legal charge over certain Group investment properties.

33. RELATED PARTY DISCLOSURES

Related parties
The following is the identity of related parties of the Group.

Company/entity	Portion of ordinary shares held	
Subsidiary undertakings		
Henmead Limited*	100%	
Eric Wright Group Limited	100%	
Eric Wright Construction Limited	100%	
Eric Wright Partnerships Limited	100%	
Eric Wright Civil Engineering Limited	100%	
Maple Grove Developments Limited	100%	
Eric Wright Investments Limited	100%	Dormant
Maple Grove Investments Limited	100%	
Stonecross Enterprises Limited	100%	
Elltech Limited	95%	
Sceptre Nursery Limited	100%	
Eric Wright Commercial Limited	100%	Dormant
Skemtech Limited	95%	
Fleetwood PPP Limited	100%	
Cobco 494 Limited	100%	
Cobco 450 Limited	100%	
Eric Wright FM Limited	100%	
Eric Wright Homes Limited	100%	
Maple Grove Residential Limited	100%	
Applethwaite Limited	100%	
Eric Wright Developments	100%	Dormant
Eric Wright Water Limited	100%	
EWGN Blackpool PSP Limited	80%	Dormant
Blackpool LEP Limited	64%	
Highfield PFI Holdco Limited	72%	Dormant
Highfield PFI SPV Limited	72%	
Samlesbury Developments Limited	100%	Dormant
Wrightcare Holdings Limited	100%	
Wrightcare Developments Limited	100%	
Joint ventures		
Foundation for Life Limited	60%	
Leigh Holdco Limited	60%	Dormant
Leigh Fundco Limited	60%	
Pacific Shelf 888 Limited	60%	
Pemberton Care Limited	60%	
Pinco 2033 Limited	60%	
Pinco 2206 Limited	60%	
Pimco 2401 Limited	60%	
FFL Capital Projects Limited	60%	Dormant
East Lancashire Building Partnership Limited	60%	
Blackburn Holdco Limited	60%	Dormant
Blackburn Fundco Limited	60%	
Rossendale LIFT Limited	60%	
Pinco 2223 Limited	60%	
Pimco 2297 Limited	60%	
Inhoco 2952 Limited	60%	
Pimco 2451 Limited	60%	
East Lancashire Capital Projects Limited	60%	
Brahm LIFT Limited	60%	

33. RELATED PARTY DISCLOSURES – continued

Company/entity	Portion of ordinary shares held	
Subsidiary undertakings		
Brahm Intermediate Holdco 1 Limited	60%	Dormant
Brahm Fundco 1 Limited	60%	
Brahm Intermediate Holdco 2 Limited	60%	Dormant
Brahm Fundco 2 Limited	60%	
Bolton Holdco 1 Limited	60%	Dormant
Bolton Fundco 1 Limited	60%	
Brahm Capital Projects Limited	60%	Dormant
Booths Partnership Limited	50%	
Regional and Local Education Partnership Limited	26%	Dormant
Tri link 140 Holdings 1 LLP	50%	
Tri Link 140 Holdings 2 LLP	50%	
Winsford Holdings 1 LLP	50%	
Winsford Holdings 2 LLP	50%	
Holbeck Homes (Cartmel) Limited	50%	
Glenholme Wrightcare Limited	50%	
Glenholme Senior Living (Bispham Gardens) Limited	50%	
Associates		
Deeside Regeneration Limited	24.9%	

All companies are registered and operate in England and Wales and principal activities are either building, contracting, civil engineering or property development. The registered addresses of the related parties are available in the accounts of each of the entities, which are available from Companies House.

* Eric Wright Charitable Trust directly owns the share capital of this entity. All remaining share capital, apart from Water Park Limited (which is directly owned) is owned indirectly through subsidiary undertakings.

Related party transactions

	Henmead shareholding	Goods and services supplied		Balance outstanding at the end of the year	
		2022	2021	**2022**	2021
		£000's	£000's	**£000's**	£000's
During the year subsidiaries of Henmead Limited supplied construction services to the following companies in which the Group has an interest. These services were provided by Eric Wright Construction Limited.					
Blackpool Local Education Partnership Limited	64%	**2,908**	1,090	-	149
During the year subsidiaries of Henmead Limited supplied hard FM services to the following companies in which Eric Wright Group Limited has an interest. These services were provided by Eric Wright FM Limited.					
Blackpool Local Education Partnership Limited	64%	-	-	-	-
Blackburn Fundco Limited	60%	**448**	422	-	-
Bolton Fundco 1 Limited	60%	**378**	340	-	-
Brahm Fundco 1 Limited	60%	**745**	667	-	-
Brahm Fundco 2 Limited	60%	**585**	528	**86**	8
Highfield PFI SPV Limited	72%	**736**	512	-	-
Inhoco 2952 Limited	60%	**920**	911	-	-
Leigh Fundco Limited	60%	**291**	273	-	-
Pacific Shelf 888 Limited	60%	**38**	36	**40**	15
Pemberton Care Limited	60%	**118**	111	-	22
Pimco 2297 Limited	60%	**73**	80	-	-
Pimco 2401 Limited	60%	**157**	148	-	-

33. RELATED PARTY DISCLOSURES – continued

Related party transactions

	Henmead shareholding	Goods and services supplied		Balance outstanding at the end of the year	
		2022 £000's	2021 £000's	2022 £000's	2021 £000's
Pimco 2451 Limited	60%	**684**	479	-	-
Pinco 2033 Limited	60%	**515**	483	-	-
Pinco 2206 Limited	60%	**308**	289	-	1
Pinco 2223 Limited	60%	**625**	634	-	-
Rossendale Lift Limited	60%	**438**	411	**10**	-

During the year subsidiaries of Henmead Limited provided management services to the following companies in which Eric Wright Group Limited has an interest. These services were provided by Eric Wright Partnerships Limited.

Blackburn Fundco Limited	60%	**22**	20	-	-
Blackpool Local Education Partnership Limited	64%	-	-	-	-
Bolton Fundco 1 Limited	60%	**126**	118	-	-
Brahm Fundco 1 Limited	60%	**263**	195	-	-
Brahm Fundco 2 Limited	60%	**172**	162	-	-
Brahm Lift Limited	60%	**174**	111	-	-
Inhoco 2952 Limited	60%	**309**	290	-	-
Leigh Fundco Limited	60%	**53**	50	-	-
Pacific Shelf Limited	60%	**10**	9	-	3
Pemberton Care Limited	60%	**33**	31	-	-
Pimco 2297 Limited	60%	**11**	10	-	-
Pimco 2401 Limited	60%	**77**	72	-	-
Pimco 2451 Limited	60%	**91**	85	-	-
Pinco 2033 Limited	60%	**238**	224	-	-
Pinco 2206 Limited	60%	**122**	115	-	-
Pinco 2223 Limited	60%	**91**	86	-	-
Rossendale Lift Limited	60%	**30**	28	-	-
East Lancashire Building Partnership Limited	60%	**74**	77	-	-
Foundation for Life Limited	60%	**46**	90	-	-
Glenhome Wrightcare Ltd	50%	-	16	-	-

During the year a Group company carried out construction services on behalf of a Trustee. The work was undertaken by a non-charitable trading subsidiary of the Charity. The services were completed on commercial terms and so fall outside of the remit of the Charity itself. The total value of services was £569,000 (2021: £735,000) with the maximum outstanding in the year of £Nil (2021: £257,000). No amounts are outstanding at the year-end (2021: £Nil).

34. ULTIMATE CONTROLLING PARTY

The Trust is under the control of the board of Trustees.

THE ERIC WRIGHT CHARITABLE TRUST

England & Wales - Charity number 1002966

Accounts

REGISTERED CHARITY NUMBER: 1002966

REPORT OF THE TRUSTEES AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 FOR THE ERIC WRIGHT CHARITABLE TRUST

Fairhurst
Statutory Auditor
Chartered Accountants
Douglas Bank House
Wigan Lane
Wigan
Lancashire
WN1 2TB

THE ERIC WRIGHT CHARITABLE TRUST

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for the Year Ended 31 December 2021

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TRUSTEES REPORT
for the Year Ended 31 December 2021

The Trustees present their report with the financial statements of the Charity for the year ended 31 December 2021. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity was established by deed on the 23 April 1990. The Trust was granted charitable status on 17 May 1991 as a general charitable trust with registered charity number 1002966.

Organisational structure

The Trustees meet at least four times a year to agree strategic direction, receive reports from staff, approve budgets and finance reports and endorse new policies as well as changes to existing policies. The Trustees are also members of key Sub-Committees that meet periodically throughout the year to discuss Finance, Investment and Governance, Charitable Giving and Remuneration. The day-to-day responsibility for the Eric Wright Charitable Trust rests with a board of trustees who use professional advice and support where required.

Recruitment and appointment of new trustees

The power to appoint new trustees is vested in the settlor, Eric Wright, during his lifetime and following his death in Alison Wright, a Trustee of the Charity. New trustees are appointed as and when required and determined by the current trustee body and the needs of the Charity in consultation with the settlor.

No new trustees were appointed during the year. When appointing new trustees, the trustees would seek to address the issue of any skill and knowledge gap within their body.

Induction and training of new trustees

New trustees will be subject to training as required by their previous experience. Ongoing training is provided to the existing trustees as required.

Related parties

The Charity is related to its subsidiaries, Water Park Limited and Henmead Limited, and in turn all of Henmead's subsidiaries, and also to the Eric Wright Learning Foundation, a charitable company limited by guarantee of which the Trust is a member and provides the majority of its funding.

Conflicts of interest

The Trust operates in accordance with its Conflict of Interest policy. From time to time the Charity may make grants to organisations with whom one or more of its Trustees is connected, typically as a Trustee or member of staff. The Trustees make every effort to ensure that decisions on these grants are made at arms-length, and in accordance with its policy for dealing with potential conflicts of interest.

Risk management

The Trustees have examined the major strategic, business and operational risks which the Charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks. The principal risks identified by the Trustees relate to financial controls, risk management within the operating subsidiaries, and investment. The policies in relation to financial controls and risk management are reviewed on an annual basis. In relation to investments, the Trustees review these in conjunction with investment advisors on a six-monthly basis.

Financial Controls: the Trustees operate on a day to day basis in accordance with their financial controls policy, which is formally reviewed and updated on an annual basis.

Operating Subsidiaries: there are detailed procedures in place in relation to risk management within the operating subsidiaries. In the case of Water Park Limited, the directors meet on a six-monthly basis as a Board and provide operational and financial reports to the Trustees on a six-monthly basis. In the case of Henmead Limited and its subsidiaries, the directors of these operational boards meet on a monthly basis and provide operational and financial reports to the Trustees on a quarterly basis. There are also a number of reserved matters that require the consent of the Trustees before they can be implemented by the operational boards of Henmead Limited and its subsidiaries. The Trustees meet with the auditors of Henmead Limited and of its operating subsidiaries at their June meeting to receive their annual audit report and discuss any recommendations arising, which informs the Trustees' approach to ongoing risk management within that operating subsidiary. The Finance Sub-Committee consisting of three Trustees meet with the auditors of the Eric Wright Charitable Trust at their September meeting to receive their annual audit report.

Investments: the Trustees receive quarterly reports from their Investment advisors, who also present their reports in person at the Trustees' meetings in June and December each year to give their advice and address any matters.

In addition to the above, the Trustees formally review risk management on an annual basis.

Charity Commission Governance Code
The Trustees have taken note of and followed the Charity Commission Governance Code where appropriate.

Remuneration
No Trustees are remunerated by the Charity. The Charity does not have any employees.

OBJECTIVES AND ACTIVITIES

Grant Making Policy
The Eric Wright Charitable Trust is a general charitable trust with unrestricted objects. However, the Trustees have prioritised donations to charitable activities based in the North West of England within the following sectors:

- Youth Development
- Elderly Care
- Education and Training
- Carers' Support Services
- Health Support Services
- Community and Voluntary Service Organisations
- Mental Health
- Child and Family Support

Procedures and policy for grant making
The Trustees operate the following Grants Programmes referred to as the Charitable Giving Strategy:

- a Major Grants programme for grants equal to and exceeding £20,000, typically for medium-sized charities. Charitable organisations are invited to apply for these following an initial review and meeting with one or more of the Trustees. Application for a Major Grant is by invitation only and by way of a formal Grant Application Form stating, inter alia, how the funds would be used, what would be achieved, how results would be measured, and providing constitutional and financial information.
- a Community Grants programme for grants between £5,000 and £20,000, typically for small to medium sized charities. Charitable organisations are invited to apply for these following an initial review and meeting with one or more of the Trustees. Application for a Community Grant is by invitation only and by way of a formal Grant Application Form stating how the funds would be used and providing constitutional and financial information.
- a Small Grants Programme for grants under £5,000, typically for small charities. Applications are made in the first instance by letter or via the Trust's website and are subject to such requirements as the Trustees believe are appropriate in relation to the nature of the applicant organisation and the size of the grant.

The Trustees deal with approvals under each Grant Programme in the manner they believe is appropriate to that Grant Programme.

Public Benefit
The Trustees confirm that they have had due regard to the Charity Commission's general guidance on public benefit in planning future strategy, developing grant-making policy and in making grants. The Trustees believe that the Charity achieves significant social benefit through the following activities:

- its operation of the Water Park facility, the public benefit of which is considered below
- its membership of the Eric Wright Learning Foundation, the public benefit of which is considered below
- its grant-making strategy, which aims at providing funding for charities, typically small and medium sized operating in the North West of England, which the Trustees believe provide a wide range of public benefit, with particular emphasis on the health, well-being and education of local residents and the development of local communities.

However, given that the Trust has unrestricted objects, the Trustees retain full discretion to make grants for any charitable purpose as they see fit, depending upon the circumstances.

Significant activities
The activities of the Charity are set out below.

ACHIEVEMENT AND PERFORMANCE

Charitable activities for the public benefit
During the year, the Trust continued to operate in furtherance of the objectives stated above. Its principal activities were as follows:

Water Park Outdoor Pursuits Centre
Water Park is an outdoor pursuit centre owned by the Trust on Coniston Water in the Lake District aimed at helping young people, many from disadvantaged backgrounds, to spend time in a wholly different learning environment and assist their self-development. The teachers from the respective schools stay with the children and frequently comment on the positive impact that the stay at Water Park has had. Comments include:

- *Improves young people's ability to work together and tolerate others*
- *Their resilience and perseverance is improved*
- *Young people who may struggle academically are allowed to shine in this different environment*
- *The opportunity to escape from a challenging home life and to be a child for a week is immeasurable*

The educational benefit of such courses can be seen from the fact that many bookings are return visits from schools who now see a visit to Water Park as an integral part of the broader curriculum.

The operation of Water Park is undertaken through a wholly owned subsidiary, Water Park Limited, the company responsible for running the centre. Day to day management and operation of the centre is delegated to a management team who, in turn, report to Water Park Limited.

At the start of 2021 the centre remained closed due to ongoing restrictions imposed as a result of the pandemic. The centre reopened in a limited capacity in April 2021. The management team continued to work closely with attendees to provide safe course offerings during 2021 and gradually reintroduced all courses throughout the remainder of the year.

Subsidies from the Trust are available for individuals or groups who cannot afford to attend. Applications for a subsidy are considered in accordance with guidelines established and periodically reviewed by the Trustees in order to ensure objectivity. This approach enables support to be focused towards groups or individuals where the need is greatest.

In the year to 31 December 2021, the total operating cost for Water Park was £959,000 (2020: £919,000). The Trustees' projections do not envisage Water Park Limited generating an operating surplus in the foreseeable future and as a consequence have factored an ongoing financial commitment in support of the subsidiary into the reserves policy. During the financial year under review the Trust provided funding of £743,000 to Water Park Limited.

The Trustees are satisfied that the Water Park facility meets the Charity Commission's guidance on public benefit.

TRUSTEES REPORT
for the Year Ended 31 December 2021

The Eric Wright Learning Foundation
The Trust is a member of the Eric Wright Learning Foundation, a charitable company limited by guarantee, and provides the funding to support its activities. The Learning Foundation works in partnership with Preston's College to provide vocational training for both the 14-16 and 16-18 learner cohorts in addition to scholarships for 16-18 students across the following trades:

- Brickwork
- Plastering & Joinery
- Painting & Decorating
- Plumbing
- Electrical

Support is provided by the Learning Foundation to 14-16 learners through mentoring, PPE, bursaries, and the opportunity to access apprenticeships or further training. During the financial year under review the Trust provided funding of £61,000 to The Eric Wright Learning Foundation.

Charitable Grant Making Strategy
During 2021, the Trustees continued to develop their charitable giving strategy, working with a wide number of organisations across the North West of England. Donations of £1,266,000 (2020: £334,000) were made to 85 registered charities working within the sectors listed below. Donations made in 2021 were substantially higher than 2020 due to the temporary postponement of the grants programme in 2020 in order to undertake a full strategy review.

- Youth Development
- Elderly Care
- Education and Training
- Carers' Support Services
- Health Support Services
- Community and Voluntary Service Organisations
- Child and Family Support
- Mental Health

Of this total, 71% (of sums donated) were made under the Major Grants programme.

Examples of some of the projects within these sectors that the Trustees have supported with Major Grants include:

Youth Development: a number of Youth Zones in the North West, which provide young people with local facilities that they can be proud of and activities which help them grow as responsible individuals and which make a significant difference to their lives on a daily basis.

Elderly: various Age UK and Age Concern organisations in providing much needed support for the community including information and advice services to help with a range of issues.

Mental Health: an expanding sector in 2021 with a focus on young people, projects supported include providing therapeutic support for children and young people with inappropriate caring responsibilities, help building resilience and boost mental wellbeing, assist people to understand the things that are affecting them and develop coping strategies.

Carers Support Services: projects run by Carers' organisations for which the Trustees have provided financial support include: providing support specifically targeted at Young Adult Carers; employing a full time Young Carers' Support Worker to provide 1 to 1 support; specialist Dementia Carers' Support also including 1 to 1 and group support; and integration of the carers' service into new models of working.

Health: projects run by charities focused on health care and well-being for which the Trustees have provided financial support includes funding a befriending service for the visually impaired community to stay connected to all members by engaging with them over the telephone, computer, talking news and via smart soft-ware to reduce their social isolation levels; and support through Coronavirus to ensure that people with visual impairment receive the latest messages, emotional support to reduce loneliness, social isolation and improve digital skills so that users can participate in everyday living.

Community and Voluntary Services: the Trustees have worked with a number of CVS organisations across the North West to provide Grant Funds managed by the local CVS organisation which can be accessed by small grass roots organisations, thereby building community cohesion and reducing social isolation.

The Trustees completed a full review of the Charitable Giving Strategy, implemented in 2021. To continue with the ongoing development of the Trust's Objectives and Activities the Trustees are looking to expand the Health sector with a focus on Children's Health and are reviewing other initiatives to respond to the growing needs of North West based charities.

FINANCIAL REVIEW

Principal funding sources
The Eric Wright Charitable Trust is funded by donations from Henmead Limited. Income generated by the managed investment portfolio is reinvested within the portfolio.

Investment policy and objectives
There are no restrictions on the Trustees' powers to invest. To the extent that future accumulated reserves exceed the Trust's short to medium-term objectives, the Trustees will be seeking to build reserves to strengthen the long-term sustainability of the Trust as well as to develop the flexibility to fund larger projects that also meet its criteria.

Investment performance
The Trust has three principal investments in addition to the cash balances retained to fulfil the operational reserves policy. These are the property at High Nibthwaite, Cumbria; the 100% shareholding in Henmead Limited; and a portfolio of investments managed by Brewin Dolphin Investment Managers.

High Nibthwaite
The property is rented out to Water Park Limited at an annual rent of £80,000 per annum, representing a return of 3.6% on the investment. The property is presently valued at £2,250,000 and is subject to three-yearly revaluations, with the last valuation undertaken in July 2020.

Henmead Limited
The Trust is sole shareholder of Henmead Limited, a subsidiary company with a net book value of £82,892,000. Financial results for Henmead Limited are published separately.

Managed Investment Portfolio
The managed investment portfolio was valued at £3,459,000 as at 31st December 2021. The Trustees have appointed professional investment advisors who advise on investment policy and strategy and asset allocation. The Trustees have aligned the investment risk profile with other charitable organisations and are confident that the investment strategy will serve the Trust well.

Reserves policy
It remains the policy of the Trust to maintain cash funds at a level that equates to a minimum of two years' committed expenditure at any one time. This would enable the Trust to honour its commitments and for the foreseeable future allow the Trust to make future pledges.

Under the terms of the Trust Deed, the General Fund is expendable at the Trustees' discretion. All unexpended funds are therefore held in the General Fund. The Trustees intend to continue monitoring the value of the General Fund in real terms to ensure that they are able to achieve both income and capital appreciation so as to maintain the existing level of charitable giving for the foreseeable future. At the year end the value of reserves held was £92,834,000.

Going concern
After making enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing the financial statements.

PLANS FOR FUTURE PERIODS

Following the implementation in 2021 of the refreshed Charitable Giving Strategy the Trustees are satisfied the strategy will provide the basis and guidance for future grant awards for the next four years. The Trustees will continue to evolve the strategy organically as outlined previously in the report, although a full review is not intended for some time.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number
1002966

Principal address
Sceptre House
Sceptre Way
Bamber Bridge
Preston
Lancashire
PR5 6AW

Trustees
M E Collier
A D Sturrock
H MacDonald
A Wright
J M Collier
M Newsholme
C J Wilson

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors
Fairhurst
Statutory Auditor
Chartered Accountants
Douglas Bank House
Wigan Lane
Wigan
Lancashire
WN1 2TB

Bankers
Royal Bank of Scotland PLC
Corporate Service Centre
PO Box 2027 Parklands
De Havilland Way
Bolton
BL6 4YU

TRUSTEES REPORT
for the Year Ended 31 December 2021

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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 Charity and of the incoming resources and application of resources, including the income and expenditure, of the Charity for that period. In preparing those financial statements, the Trustees are required to

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the Board of Trustees on 30th September 2022 and signed on its behalf by:

M E Collier

M E COLLIER
Trustee

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF THE ERIC WRIGHT CHARITABLE TRUST

Opinion

We have audited the financial statements of The Eric Wright Charitable Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Trust Balance Sheet, the Consolidated Cash Flow Statement, notes to the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 December 2021 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 Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE ERIC WRIGHT CHARITABLE TRUST

Matters on which we are required to report by exception
In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of trustees
As explained more fully in the Statement of Trustees Responsibilities, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances on non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework within which the Charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 and the Charities Statement of Recommended Practice (SORP).

We identified the greatest risk of material impact on the financial statement from irregularities, including fraud, to be the override of controls by management and the completeness of income. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing of journals and reviewing accounting estimates for biases, reading minutes of those charged with governance and designing audit procedures to test the timing of income.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with accounting standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with al laws and regulations.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE ERIC WRIGHT CHARITABLE TRUST

Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an 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 Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Fairhurst

Fairhurst
Statutory Auditor
Chartered Accountants (Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006)
Douglas Bank House
Wigan Lane
Wigan
Lancashire
WN1 2TB

Date: 31st October 2022

THE ERIC WRIGHT CHARITABLE TRUST

INTRODUCTION TO THE FINANCIAL STATEMENTS

for the Year Ended 31 December 2021

The Eric Wright Charitable Trust (the Charity) owns Water Park Limited and Henmead Limited, the latter being a group of non-charitable trading companies operating in the property and construction industry. Water Park Limited and Henmead Limited are wholly owned subsidiaries and, as required by charitable law, are consolidated into charitable accounts as presented in the Financial Statements on the subsequent pages.

The Statement of Financial Activities for the Charity has been reproduced below to present the activities of the Charity prior to the consolidation of the subsidiary companies (Henmead Limited and Water Park Limited).

	2021	2020
	£000	£000
INCOME AND ENDOWMENTS FROM:		
Donations and legacies	**2,996**	1,790
Investment income	**122**	125
	3,118	1,915
EXPENDITURE ON:		
Raising funds	**98**	74
Charitable activities:		
Financial assistance to Water Park Ltd	**743**	681
Grant to institutions other than Water Park Ltd	**1,266**	334
	2,107	1,089
Operating surplus	**1,011**	826
Net gains on investments	**10,061**	2,907
NET MOVEMENT IN FUNDS	**11,072**	3,733

A proportion of the profits from Henmead Limited (which trades through the Eric Wright Group Companies) are donated annually to the Eric Wright Charitable Trust. The Charity uses the donation from Henmead Limited to support local charities as outlined in the Charitable Giving Strategy contained within the Trustees Report and listed in Note 10 of the accounts. Surpluses are invested in a managed share portfolio to provide future stability and fulfilment of the Charity's objectives.

THE ERIC WRIGHT CHARITABLE TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 December 2021

	Notes	2021 Total funds	2020 Total funds
		£'000	£'000
INCOME AND ENDOWMENTS FROM			
Donations and legacies	2	**1**	-
Commercial trade operation	3	**176,498**	219,167
Charitable activities			
Third party fee income paid to Water Park	4	**200**	145
Other income	5	**46**	174
Investment income	6	**42**	45
Total incoming resources		**176,787**	219,531
RESOURCES EXPENDED			
Costs of generating funds			
Raising funds	7	**22**	1
Commercial trade operation	8	**171,285**	212,103
Charitable activities	9		
Grants to other Charitable bodies		**1,266**	334
Costs of operating Water Park and governance activities		**985**	993
Total resources expended		**173,558**	213,431
Gain on revaluation of investment property		**4,965**	347
Net gains on investments		**327**	235
NET INCOME		**8,521**	6,682
Other recognised (losses)/gains			
Re-measurement of the net defined benefit liability		**296**	(367)
Share of comprehensive loss of joint ventures & associates		**(1,377)**	(1,999)
Effective portion of changes in fair value of cash flow hedge		**3,713**	(1,049)
Deferred tax on other comprehensive (income)/loss		**(81)**	466
		2,551	(2,949)
Total income for the year		**11,072**	3,733
RECONCILIATION OF FUNDS			
Total funds brought forward		**81,762**	78,029
TOTAL FUNDS CARRIED FORWARD		**92,834**	81,762

THE ERIC WRIGHT CHARITABLE TRUST

CONSOLIDATED BALANCE SHEET
At 31 December 2021

	Notes	2021 Total funds	2020 Total funds
		£'000	£'000
FIXED ASSETS			
Goodwill	15	**1,406**	1,181
Tangible assets	16	**4,081**	4,202
Investments			
Investments	17	**9,473**	7,642
Investment property	18	**86,335**	78,132
		101,295	91,157
CURRENT ASSETS			
Stocks	19	**25,048**	24,447
Debtors	20	**84,040**	80,662
Cash at bank		**23,270**	27,628
		132,358	132,737
CREDITORS			
Amounts falling due within one year	21	**(63,490)**	(61,759)
NET CURRENT ASSETS		**68,868**	70,978
TOTAL ASSETS LESS CURRENT LIABILITIES		**170,163**	162,135
CREDITORS			
Amounts falling due after more than one year	22	**(67,256)**	(72,393)
PROVISIONS FOR LIABILITIES			
Deferred tax liability	26	**(6,407)**	(3,786)
Pensions and similar obligations	27	**(3,594)**	(4,104)
Other provisions	28	**(72)**	(90)
NET ASSETS		**92,834**	81,762
FUNDS	29		
Unrestricted funds		**92,834**	81,762
TOTAL FUNDS		**92,834**	81,762

The financial statements were approved by the Board of Trustees on 30th September 2022 and were signed on its behalf by:

M E Collier

M E COLLIER
Trustee

THE ERIC WRIGHT CHARITABLE TRUST

TRUST BALANCE SHEET
31 December 2021

	Notes	2021 Total funds £'000	2020 Total funds £'000
FIXED ASSETS			
Tangible assets	16	**21**	24
Investments			
Investments	17	**86,351**	76,269
Investment property	18	**2,250**	2,250
		88,622	78,543
CURRENT ASSETS			
Debtors	20	**294**	314
Cash at bank		**4,107**	3,142
		4,401	3,456
CREDITORS			
Amounts falling due within one year	21	**(189)**	(237)
NET CURRENT ASSETS		**4,212**	3,219
TOTAL ASSETS LESS CURRENT LIABILITIES		**92,834**	81,762
CREDITORS			
Amounts falling due after more than one year	22	**-**	-
NET ASSETS		**92,834**	81,762
FUNDS	29		
Unrestricted funds		**92,834**	81,762
TOTAL FUNDS		**92,834**	81,762

The financial statements were approved by the Board of Trustees and authorised for issue on 30th September 2022 and were signed on its behalf by:

M E COLLIER
Trustee

THE ERIC WRIGHT CHARITABLE TRUST

CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 December 2021

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities:			
Cash generated from operations	1	**6,334**	11,956
Other comprehensive income (non-cash)		**(2,551)**	2,949
Movement in provisions		**(478)**	(528)
Tax paid		**(555)**	68
Net cash received by operating activities		**2,750**	14,445
Cash flows from investing activities:			
Purchase of intangible fixed assets		**(371)**	(1,066)
Purchase of tangible fixed assets		**(227)**	(183)
Purchase of fixed asset investments		**(21)**	(24)
Purchase of investment property		**(3,238)**	(3,983)
Acquisition of joint venture		**-**	-
Sale of tangible fixed assets		**66**	-
Sale of investment property		**-**	470
Sale of investment in associate		**-**	1,439
Repayment of loans		**407**	4,265
New loans		**(1,480)**	(1,161)
Interest received		**-**	3
Dividends received		**41**	192
Net cash used in investing activities		**(4,823)**	(48)
Cash flows from financing activities:			
New loans in year		**-**	2,500
Loan repayments in year		**(2,095)**	(9,144)
Decrease in directors loan		**(190)**	(380)
Net cash used in financing activities		**(2,285)**	(7,024)
Change in cash and cash equivalents in the reporting period		**(4,358)**	(7,373)
Cash and cash equivalents at the beginning of the reporting period	2	**27,628**	20,255
Cash and cash equivalents at the end of the reporting period	2	**23,270**	27,628

THE ERIC WRIGHT CHARITABLE TRUST

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 December 2021

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020
	£'000	£'000
Net income for the reporting period (as per the statement of financial activities)	**11,072**	3,733
Adjustments for:		
Depreciation charges	**437**	379
Gain on investments	**(320)**	(1,666)
Loss on disposal of fixed assets	**-**	96
Interest received	**-**	(3)
Dividends received	**(41)**	(42)
Revaluation of investment properties	**(4,972)**	(340)
Operating profit of joint ventures & associates	**(1,550)**	(2,142)
Taxation	**3,011**	556
(Increase)/decrease in stocks	**(601)**	1,069
(Increase)/decrease in debtors	**(3,150)**	14,255
Increase/(decrease) in creditors	**2,448**	(3,939)
Net cash provided by operating activities	**6,334**	11,956

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021	2020
	£'000	£'000
Cash & cash equivalents	**23,270**	27,628
Total cash and cash equivalents	**23,270**	27,628

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2021

1. ACCOUNTING POLICIES

1.1 Basis of preparing the financial statements

The financial statements of the Charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

All amounts in the financial statements have been rounded to the nearest £1,000.

The Eric Wright Charitable Trust ("the Trust") is a Charitable Trust registered and domiciled in the UK.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the Trustees, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed later in accounting policies under the title 'Accounting estimates and judgements.'

1.2 Going concern

The Trust's activities are set out on the Trustees' report set out on pages 2 to 7. The financial position of the Trust is set out in the balance sheet on page 15. The financial risk and management of financial risk is explained in the Trustees' report.

The Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Consideration of going concern for subsidiary entities is made at Henmead level and the Trustees agree with the conclusion formed.

1.3 Basis of consolidation

The consolidated financial statements include the financial statements of the Charity and its subsidiary undertakings made up to 31 December 2021. A subsidiary is an entity that is controlled by the Charity. The results of subsidiary undertakings are included in the consolidated statement of financial activities from the date that control commences until the date that control ceases. Control is established when the Charity has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Henmead Limited group of companies referred to as Group, takes into consideration potential voting rights that are currently exercisable. The Henmead Limited group of companies is controlled by the Charity, consequently the gross income and expenditure from its operations are presented on the Statement of Financial Activities for both the current and the comparative period.

An associate is an entity in which the Group has significant influence, but not control, over the operating and financial policies of the entity. Significance influence is presumed to exist when the investor holds between 20% and 50% of the equity voting rights.

A joint venture is a contractual arrangement undertaking in which the Group exercises joint control over the operating and financial policies of the entity. Where the joint venture is carried out through an entity, it is treated as a jointly controlled entity. The Group's share of the profits less losses of associates and of jointly controlled entities is included in the consolidated profit and loss account and its interest in their net assets is recorded on the balance sheet using the equity method. Where there is no obligation, commitment or guarantee by the group to fund the joint venture operations or make payments on behalf of the investees and there is no intention to in the future, then the share of net liabilities recognised in the group consolidated balance sheet is restricted to the value of the investment made by the group.

Where a group company is party to a joint venture which is not an entity, that company accounts directly for its share of the income and expenditure, assets, liabilities and cash flows. Such arrangements are reported in the consolidated financial statements on the same basis.

1. ACCOUNTING POLICIES - continued

1.4 Basis of preparing the financial statements

In the consolidated financial statements, investments in subsidiaries, jointly controlled entities and associates are carried at cost less impairment. In the accounts of the Trust, the investments in subsidiaries are carried at Net Asset Value.

1.5 Classification of financial instruments issued by the group

In accordance with FRS 102.22, financial instruments issued by the group are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the group; and

(b) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

1.6 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in preference and ordinary shares

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognised in the Statement of Financial Activities. Other investments are measured at cost less impairment in the Statement of Financial Activities.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Charity's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Finance lease debtors

At the commencement of the lease term, a finance lease is recorded in the balance sheet as a receivable, at an amount equal to the net investment in the lease.

The net investment in a lease is the gross investment in the lease discounted at the interest rate implicit in the lease.

The gross investment in the lease is the aggregate of:

- The minimum lease payments receivable under a finance lease; and
- Any unguaranteed residual value accruing to the company.

1. ACCOUNTING POLICIES – continued

Finance lease debtors
Initial direct costs (costs that are incremental and directly attributable to negotiating and arranging a lease) are included in the initial measurement of the finance lease receivable and reduce the income recognised over the lease term.

Finance income is recognised based on a pattern reflecting a constant periodic rate of return on the net investment outstanding in respect of the finance lease.

1.7 Other financial instruments

Financial instruments not considered to be Basic financial instruments (Other financial instruments)
Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in the Statement of Financial Activities except as follows:

- investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment; and
- hedging instruments in a designated hedging relationship shall be recognised as set out overleaf.

Derivative financial instruments and hedging
Within the Trust no derivative financial instruments exist however, the below represents those derivative financial instruments that occur in the Henmead group accounts and are included in the Trust accounts on consolidation.

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

Fair value hedges
Within the Trust no fair value hedges exist however, the below represents those fair value hedges that occur in the Henmead group accounts and are included in the Trust accounts on consolidation.

Where a derivative financial instrument is designated as a hedge of the variability in fair value of a recognised asset or liability or an unrecognised firm commitment, all changes in the fair value of the derivative are recognised immediately in the Statement of Financial Activities. The carrying value of the hedged item is adjusted by the change in fair value that is attributable to the risk being hedged (even if it is normally carried at cost or amortised cost) and any gains or losses on remeasurement are recognised immediately in the income statement (even if those gains would normally be recognised directly in reserves). If hedge accounting is discontinued and the hedged financial asset or liability has not been derecognised, any adjustments to the carrying amount of the hedged item are amortised into the Statement of Financial Activities using the effective interest method over the remaining life of the hedged item.

Cash flow hedges
Within the Trust no cash flow hedges exist however, the below represents those cash flow hedges that occur in the Henmead group accounts and are included in the Trust accounts on consolidation.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in other comprehensive income. Any ineffective portion of the hedge is recognised immediately in the Statement of Financial Activities.

For cash flow hedges, where the forecast transactions resulted in the recognition of a non-financial asset or non-financial liability, the hedging gain or loss recognised in other recognised losses is included in the initial cost or other carrying amount of the asset or liability. Alternatively when the hedged item is recognised in profit or loss the hedging gain or loss is reclassified to the Statement of Financial Activities. When a hedging instrument expires or is sold, terminated or exercised, or the entity discontinues designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

1. ACCOUNTING POLICIES - continued

1.8 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described below.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the Statement of Financial Activities on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- Freehold buildings	4% on cost
- Leasehold land and buildings	4% on cost
- Plant, machinery and scaffolding	15% on reducing balance
- Fixtures and fittings	15% on reducing balance
- Motor vehicles	25% on reducing balance
- Computer equipment	33% on cost

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.9 Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the entity.

At the acquisition date, the group recognises goodwill as:
- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

FRS 102.35 granted certain exemptions from the full requirements of FRS 102 in the transition period. The Group elected not to restate business combinations that took place prior to 1 January 2014. In respect of acquisitions prior to 1 January 2014, goodwill is included on the basis of its deemed cost, which represents the amount recorded under old UK GAAP. Intangible assets previously included in goodwill, are not recognised separately.

Goodwill in respect of the Joint Venture is amortised on a straight line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be 21 years, the remaining period of the concession period for the lease plus agreement.

1. ACCOUNTING POLICIES - continued

1.10 Intangible assets and goodwill

Within the Trust no goodwill exists however, the below represents goodwill that occurs in the Henmead group accounts.

Goodwill in respect of Joint Ventures is amortised on a straight line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill was estimated to be 21 years, the remaining period of the concession period for the lease plus agreement.

Intangible assets relate to computer software which is stated at cost less accumulated amortisation. Amortisation is charged to the profit and loss account on a straight line basis over the estimated useful life which is 10 years.

1.11 Stock and work in progress

Stock and work in progress is stated at the lower of cost and net realisable value. =Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

1.12 Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition

i. investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in the Statement of Financial Activities in the period that they arise; and

ii. no depreciation is provided in respect of investment properties applying the fair value model.

If a reliable measure is not available without undue cost or effort for an item of investment property, this item is thereafter accounted for as tangible fixed assets in accordance with section 17 until a reliable measure of fair value becomes available.

1.13 Construction contract debtors

Within the Trust accounts no construction contract debtors exist however, the below represents those construction contract debtors that occur in the subsidiary accounts.

Amounts recoverable on long term contracts represents the gross unbilled amount for contract work performed to date. They are measured at cost plus profit recognised to date (see the revenue accounting policy) less a provision for foreseeable losses and less progress billings. Variations are included in contract revenue when they are reliably measurable and it is probable that the customer will approve the variation itself and the revenue arising from the variation. Claims are included in contract revenue only when they are reliably measurable and negotiations have reached an advanced stage such that it is probable that the customer will accept the claim. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the entity's contract activities based on normal operating capacity.

Amounts recoverable on long term contracts are presented as part of trade debtors in the balance sheet. If payments received from customers exceed the income recognised, then the difference is presented as payments on account in the balance sheet.

1. ACCOUNTING POLICIES - continued

1.14 Impairment excluding stocks, investment properties and deferred tax assets

Financial assets (including trade and other debtors)
A financial asset not carried at fair value through the Statement of Financial Activities is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment, an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in the Statement of Financial Activities. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the Statement of Financial Activities.

Non-financial assets
Within the Trust accounts no non-financial assets exist however, the below represents those Non-financial assets that occur in the subsidiary accounts.

The carrying amounts of the entity's non-financial assets, other than investment property, stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire group of entities into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Financial Activities. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1. ACCOUNTING POLICIES - continued

1.15 Employee benefits

Defined contribution plans and other long term employee benefits
A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The amount charged to the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting period. Differences between contributions payable in the year and contributions actually paid are shown as either other creditors or prepayments in the balance sheet.

Defined benefit plans
Within the Trust no defined benefit plans exist however, the below represents those defined benefit plans that occur in the Henmead group accounts and included in the Trust accounts on consolidation.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The entity's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The entity determines the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dates approximating, to the terms of the entity's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in the Statement of Financial Activities.

Remeasurement of the net defined benefit liability is recognised in other comprehensive income in the period in which it occurs.

1.16 Provisions
A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Trust enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability in its individual financial statements until such time as it becomes probable that the company will be required to make a payment under the guarantee.

1. ACCOUNTING POLICIES - continued

1.17 Expenses

Operating lease
Within the Trust no operating leases exist however, the below represents operating leases that occur in the Henmead group accounts and are included in the Trust accounts on consolidation.

Payments (excluding costs for services and insurance) made under operating leases are recognised in the Statement of Financial Activities on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Finance lease
Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Interest receivable and Interest payable
Interest payable and similar charges include interest payable, finance charges and finance leases recognised in the Statement of Financial Activities using the effective interest method and unwinding of the discount on provisions that are recognised in the Statement of Financial Activities.

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains. Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the Statement of Financial Activities on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.18 Taxation

No taxation has been charged in respect of the Charity but the below relates to subsidiary entities which are subject to taxation.

Tax on the profit or loss for the year for trading subsidiaries comprises current and deferred tax. Tax is recognised in the statement of financial activities except to the extent that it relates to items recognised directly in equity or other gains and losses, in which case it is recognised directly in equity or other gains and losses.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, associates and joint ventures to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1. ACCOUNTING POLICIES - continued

1.19 Government grants

Grants are accounted for under the accruals model. Grants of a revenue nature are recognised in the SOFA and profit and loss account in the same period as the related expenditure.

1.20 Accounting estimates and judgements

(a) Key sources of estimation uncertainty in applying the Group's accounting policies
Preparation of the financial statements requires the Trustees to make estimates. The items across the group statements where these estimates have been made include:

Contract turnover, Amounts recoverable on contracts and provisions
The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty however there is inherent judgement in this assessment. Turnover for such contracts is stated by reference to the costs incurred as a proportion of the total anticipated contract costs, less amounts recognised in previous years. Where the outcome cannot be reasonably foreseen, revenue is recognised to the extent of costs expensed as incurred. Amounts recoverable on contracts represent the gross unbilled amount for contract work performed to date. Provision is made for any losses as soon as they are foreseen. The provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Life cycle provision

The Eric Wright Group has contractual obligations to maintain properties owned by LIFT entities and other third parties over the lives of those assets. The receipts are under contract however the timing and quantum of costs differs resulting in a provision on the balance sheet. Due to the duration of the life cycle contracts, there is uncertainty regarding the timing and extent of the costs required to maintain the assets and judgement is therefore required in order to assess sufficiency.

Trade debtors
Held within trade debtors are contract trade debtors that represent billed amounts for contract work performed to date. Contract trade debtors are regularly reported and monitored to ensure the full amount is recovered. Provision is made for doubtful debts.

(b) Critical accounting judgements in applying the Group's accounting policies
Certain critical accounting judgements (apart from those involving estimations included above) in applying the Group's accounting policies are described below.

Investment property
Investment properties are initially recognised at cost. Subsequent to initial recognition investment properties whose fair value can be measured reliably are held at fair value. Whilst the investment properties are valued by external experts, there are a number of judgements adopted in respect of items such as yield and lease renewals which affect the overall valuation.

Loans to joint ventures
Loans to joint ventures are initially recognised at cost. The loans are reviewed annually for impairment via a review of the joint ventures cash flow forecast. No impairment is recognised as future trading and cash flow forecasts demonstrate the joint ventures have sufficient funds to meet repay the loans as they fall due.

Investments in joint ventures
To the extent that the Henmead group have no legal or constructive obligation to fund the share of historic losses recognised in the joint ventures the value of the investment is restricted to the value of the investments made.

1. ACCOUNTING POLICIES - continued

Accounting estimates and judgements – continued

Classification of financial instruments
Financial instruments are recognised initially at fair value. Subsequent to initial recognition financial instruments are measured at fair value with changes recognised in the Statement of Financial Activities. Where the financial instrument falls under the classification of hedging instruments and is in a designated hedging relationship the effective part of any gain or loss on the derivative financial instrument is recognised directly in other gains and losses. Any ineffective portion of the hedge is recognised immediately in the Statement of Financial Activities.

Defined benefit plan
The Group's net obligation in respect of defined benefit plans is calculated each year by a qualified Actuary and using the estimates set out in note 27. Full provision for the liability is recognised in the Group accounts.

2. DONATIONS AND LEGACIES

The grant income can be represented as:

	2021	2020
	£'000	£'000
Other	**1**	-

3. COMMERCIAL TRADE OPERATION INCOME

	2021 £'000	2020 £'000
Group turnover	**163,853**	204,611
Other operating income – rental income	**6,105**	5,668
Other operating income – CJRS income	**501**	755
Share of profit in Joint Ventures	**1,548**	2,160
Share of profit (loss) in Associates	**2**	(18)
Profit on disposal of investment in associate	**-**	1,424
Interest receivable and similar income	**4,489**	4,567
	176,498	219,167

Commercial trade operational income relates to the Henmead Limited group of companies.

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2021 £'000	2020 £'000
Water Park fees received	Third party fee income paid to Water Park	**200**	145

5. OTHER INCOME

	2021 £'000	2020 £'000
Local authority grants	**-**	27
CJRS grant income received	**46**	147
	46	174

6. INVESTMENT INCOME

	2021 £'000	2020 £'000
Other fixed asset investment	**42**	42
Deposit account interest	**-**	3
	42	45

7. RAISING FUNDS

Other trading activities

	2021	2020
	£'000	£'000
Purchases	22	1

8. COMMERCIAL TRADE OPERATION EXPENDITURE

	2021	2020
	£'000	£'000
Cost of sales	143,377	187,297
Administrative expenses	21,979	21,070
Interest payable and similar expenses	2,912	3,171
Tax on profit on ordinary activities	3,011	556
Dividend to minority interest	6	9
	171,285	212,103

Commercial trade operational expenditure relates to the Henmead Limited group of companies.

9. CHARITABLE ACTIVITIES COSTS

	Direct costs	Grant funding of activities (See note 10)	Support costs (See note 11)	Totals
	£'000	£'000	£'000	£'000
Costs of operating Water Park	887	-	-	887
Governance costs	-	-	98	98
Grants to other Charitable bodies	-	1,266	-	1,266
	887	1,266	98	2,251

10. GRANTS PAYABLE

	2021 £'000	2020 £'000
Grants to other Charitable bodies	**1,266**	334

Grants paid to institutions other than Water Park Limited are categorised into the following sectors:	2021 £'000	2020 £'000
Health	**272**	30
Carers	**200**	43
Youth	**196**	33
Elderly	**180**	25
Child and Family Support	**154**	10
Mental Health	**112**	5
Community Voluntary Services	**74**	90
Education & Training	**61**	86
Other	**17**	12
	1,266	334

11. CHARITABLE SUPPORT COSTS

Support costs, included in the above, are as follows:
Governance costs

	2021	2020
	£'000	£'000
Recharge of administrative resources	**52**	31
Auditors' remuneration	**16**	14
Accountancy and legal fees	**30**	28
Trustees & sundry expenses	**-**	1
	98	74

Audit fees across the group are disclosed as:

	2021	2020
	£'000	£'000
Trust auditor (Fairhurst):		
Audit of Trust and Water Park subsidiary	**16**	14
Henmead Limited auditor:		
Audit of Henmead Limited financial statements	**6**	6
Audit of financial statements of subsidiaries of Henmead Limited	**129**	121
Taxation advisory services	**23**	15
	174	156

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits payable by the Trust for the year ended 31 December 2021 nor for the year ended 31 December 2020.

However, during the year one Trustee received benefits for their former role as a director of one of the non-charitable trading subsidiaries (2020: one). One Trustee also received remuneration for supplying ad hoc professional advisory services to subsidiaries within the Henmead Limited group (2020: One).

Trustees' expenses

During the year Trustees were reimbursed a total of £52 (2020: £201) to cover out of pocket expenses.

Directors' remuneration and key management personnel

During the year Directors' and key management personnel of the Henmead group were compensated for their services as follows:

	2021	2020
	£'000	£'000
Directors' remuneration	**1,958**	1,701
Benefits in kind	**2**	3
Company contributions to money purchase pension plans	**31**	28
	1,991	1,732

Information regarding the highest paid director is as follows:

	2021	2020
	£'000	£'000
Remuneration	**1,114**	863
Benefits in kind	**-**	23
	1,114	886

Retirement benefits are accruing to one (2020: one) director under a defined contribution scheme.

The remuneration of the Directors of Henmead Limited is disclosed above.
The additional remuneration of the Directors of Eric Wright Group Limited (key management personnel) is set out below.

	2021	2020
	£'000	£'000
Key management personnel remuneration	**1,201**	1,022

13. STAFF NUMBERS AND COSTS

The average number of persons employed by the Group (including Trustees) during the year, analysed by category, was as follows:

	2021 No.	2020 No.
Direct labour	321	310
Administration	389	406
	710	716

The aggregate payroll costs of these persons were as follows:

	2021 £'000	2020 £'000
Wages and salaries	29,911	30,762
Social security costs	3,040	2,562
Contributions to defined contribution plans	2,925	2,870
	35,876	36,194

14. TAXATION

During the year no tax was directly payable by the Trust. Taxation was paid by subsidiary entities and is disclosed in note 8.

15. INTANGIBLE ASSETS

Group	Software £'000
COST	
At 1 January 2021	1,198
Additions	371
At 31 December 2021	1,569
AMORTISATION	
At 1 January 2021	17
Amortisation charge for year	146
At 31 December 2021	163
NET BOOK VALUE	
At 31 December 2021	**1,406**
At 31 December 2020	1,181

Trust
The trust does not hold any goodwill or intangible assets.

16. TANGIBLE FIXED ASSETS

Group	Freehold property £'000	Long leasehold £'000	Plant and machinery £'000
COST			
At 1 January 2021	3,586	515	2,479
Additions	-	-	107
Disposals	-	-	(156)
At 31 December 2021	3,586	515	2,430
DEPRECIATION			
At 1 January 2021	303	295	2,067
Charge for year	34	24	114
Eliminated on disposal	-	-	(107)
At 31 December 2021	337	319	2,074
NET BOOK VALUE			
At 31 December 2021	**3,249**	**196**	**356**
At 31 December 2020	3,283	220	412

	Fixtures and fittings £'000	Motor vehicles £'000	Totals £'000
COST			
At 1 January 2021	2,179	300	9,059
Additions	32	88	227
Transfers to intangible assets	-	-	-
Disposals	(16)	-	(172)
At 31 December 2021	2,195	388	9,114
DEPRECIATION			
At 1 January 2021	1,933	259	4,857
Charge for year	87	24	283
Eliminated on disposal	-	-	(107)
At 31 December 2021	2,020	283	5,033
NET BOOK VALUE			
At 31 December 2021	**175**	**105**	**4,081**
At 31 December 2020	246	41	4,202

16. TANGIBLE FIXED ASSETS - continued

Land and buildings

The net book value of land and buildings in tangible fixed assets and investment properties comprises:

	2021	2020
	£'000	£'000
Freehold	57,072	49,033
Long leasehold	32,512	32,382
Short leasehold	196	220
	89,780	81,635

Trust	Fixtures and fittings
	£'000
COST	
At 1 January 2021 and 31 December 2021	204
DEPRECIATION	
At 1 January 2021	180
Charge for year	3
At 31 December 2021	183
NET BOOK VALUE	
At 31 December 2021	21
At 31 December 2020	24

17. FIXED ASSET INVESTMENTS

Group	Loans to Joint Ventures £'000	Interests in Joint Ventures £'000	Investment in associates £'000	Share portfolio £'000	Cash and settlements pending £'000	Total £'000
COST OR MARKET VALUE						
At 1 January 2021	15,000	(158)	(2)	3,043	99	17,982
Additions	1,118	-	362	1	40	1,521
Disposals	-	-	-	-	(20)	(20)
New loans provided	-	-	-	-	-	-
Repayment of loans	(407)	-	-	-	-	(407)
Revaluation	-	-	-	327	-	327
Share of profit	-	13	2	-	-	15
At 31 December 2021	15,711	(145)	362	3,371	119	19,418
PROVISIONS						
At 1 January 2021	(10,340)	-	-	-	-	(10,340)
Movement in provision	395	-	-	-	-	395
At 31 December 2021	(9,945)	-	-	-	-	(9,945)
NET BOOK VALUE AT 31 DECEMBER 2021	5,766	(145)	362	3,371	119	9,473
At 31 December 2020	4,660	(158)	(2)	3,043	99	7,642

17. FIXED ASSET INVESTMENTS

Trust

	Share portfolio £'000	Unlisted investments £'000	Cash and settlements pending £'000	Totals £'000
FAIR VALUE				
At 1 January 2021	3,019	73,151	99	76,269
Additions	2	-	41	43
Disposals	-	-	(22)	(22)
Revaluations	320	9,741	-	10,061
At 31 December 2021	3,341	82,892	118	86,351
NET BOOK VALUE				
At 31 December 2021	**3,341**	**82,892**	**118**	**86,351**
At 31 December 2020	3,019	73,151	99	76,269

There were no investment assets outside the UK.

The Trust's investments in unlisted companies at the balance sheet date were:

Company	Percentage holding	Country of incorporation	Nominal value £
Henmead Limited	100	England	100
Water Park Limited	100	England	1

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 December 2021

18. INVESTMENT PROPERTY

	2021 £'000 Group	2021 £'000 Trust
FAIR VALUE		
At 1 January 2021	**78,132**	**2,250**
Additions	**3,238**	**-**
Net gain from fair value adjustments	**4,965**	**-**
At 31 December 2021	**86,335**	**2,250**
NET BOOK VALUE		
At 31 December 2021	**86,335**	**2,250**
At 31 December 2020	**78,132**	**2,250**

All investment properties are held at fair value. All such group assets were valued at 31 December 2021 (Trust asset was last valued during the financial year ended December 2020) at market value on the basis of existing use by Avison Young or Cushman and Wakefield, Chartered Surveyors, external independent valuers, having an appropriate recognised professional qualification (The Royal Institute of Chartered Surveyors) and recent experience in the location and class of property being valued.

19. STOCKS

	Group 2021 £000	Group 2020 £000	**Trust 2021 £000**	Trust 2020 £000
Work in progress	**25,048**	24,447	**-**	-
	25,048	24,447	**-**	-

20. DEBTORS

	Group 2021 £000	Group 2020 £000	**Trust 2021 £000**	Trust 2020 £000
Amounts falling due within one year				
Finance lease debtor receivable	**1,746**	2,015	**-**	-
Trade debtors	**20,515**	19,676	**-**	-
Amounts recoverable on long term contracts	**14,909**	13,377	**-**	-
Amounts due from subsidiaries	**-**	-	**279**	308
Corporation tax	**-**	-	**-**	-
VAT	**-**	-	**15**	-
Prepayments	**4,421**	4,263	**-**	6
Deferred tax	**2,617**	2,577	**-**	-
Financial Instruments	**165**	-	**-**	-
Other debtors	**3,237**	1,549	**-**	-
	47,610	43,457	**294**	314
Due after more than one year				
Finance lease debtor receivable	**35,126**	37,205	**-**	-
Trade debtors	**1,304**	-	**-**	-
	84,040	80,662	**294**	314

Amounts owed by group undertakings are non-interest bearing and repayable on demand.

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £000	Group 2020 £000	**Trust 2021 £000**	Trust 2020 £000
Bank loans and overdraft	**2,351**	2,093	-	-
Payments on account	**6,689**	4,082	-	-
Trade creditors	**21,230**	26,691	-	-
Amounts due to subsidiaries	-	-	**72**	90
Taxation and social security	**4,846**	4,308	-	-
Other creditors	**14,725**	11,180	-	-
Accruals and deferred income	**8,616**	8,181	**117**	147
Director's loan accounts	**5,033**	5,224	-	-
	63,490	61,759	**189**	237

Included within directors loan accounts due within one year are loans due to RE Wright (Director). Amounts due to RE Wright are £5,033,000 (2020: £5,224,000). The maximum amount outstanding in the year to RE Wright was £5,224,000 (2020: £5,604,000).

Amounts owed are non-interest bearing and repayable on demand.

22. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2021 £000	Group 2020 £000	**Trust 2021 £000**	Trust 2020 £000
Bank loans	**54,557**	56,909	-	-
Deferred Income	**5,337**	4,574	-	-
Financial instruments	**7,362**	10,910	-	-
	67,256	72,393	-	-

Details on financial instruments are included in note 25.

23. INTEREST-BEARING LOANS AND BORROWING

This note provides information about the contractual terms of Henmead's interest-bearing loans and borrowings, which are measured at amortised cost.

	2021 £'000	2020 £'000
Loans and overdrafts can be analysed as falling due:		
In one year or less	**2,351**	2,093
Between one and two years	**17,107**	17,351
Between two and five years	**17,953**	18,608
In five years or more	**19,497**	20,950
	56,908	59,002

Secured creditors can be analysed as follows:

	2021 £'000	2020 £'000
Creditors falling due in less than one year		
Secured bank loans and overdraft	**2,351**	2,093

23. INTEREST-BEARING LOANS AND BORROWINGS – continued

	2021 £'000	2020 £'000
Creditors falling due in more than one year		
Secured bank loans	**54,557**	56,909

Bank loans are secured on certain investment properties of Eric Wright Group Limited, a subsidiary of Henmead Limited, and other group companies.

All financial liabilities are denominated in UK pounds sterling. The financial liabilities carry floating rates of interest, based upon market rates prevailing at the time. Some of these financial liabilities have been swapped to a fixed interest rate.

Interest rate swaps, denominated in pounds sterling have been entered into to protect the maximum interest expense to which the Group is exposed. These swaps with an underlying debt value of £41,841,000 (*2020: £43,935,000*) enable the Group to swap floating rate liabilities on loans to a fixed rate liability. The floating rate has historically been LIBOR however beyond 31 December 2021 this has been replaced by SONIA with all remaining commercial terms unchanged and no financial impact. The period of these swap arrangements ranges from 3 to 16 years as at 31 December 2021. This capped the maximum interest payable by the Group to December 2021 at 5.87%.

The interest paid by the Group on its bank floating rate liabilities was at a rate of LIBOR plus a margin of 2% to 2.7% (2020: LIBOR plus 2% to 2.7%). SONIA will again be the reference rate going forward.

Terms and debt repayment schedule

Group	Currency	Nominal interest rate	Year of maturity	Repayment schedule	2021 £000	2020 £000
Term loan 1	£ GBP	Libor + 2.7%	2024	Amortising	**13,200**	13,600
Revolving Credit Facility	£ GBP	Libor + 2%	2025	Revolving Credit Facility	**15,000**	15,000
Debenture loans	£ GBP	Libor + 2%	-	Subordinated debt	**67**	67
Term loan 2	£ GBP	Libor + 1%	2024	Amortising	**1,979**	2,585
Term loan 3	£ GBP	Libor + 0.97%	2030	Amortising	**4,907**	5,350
Term loan 4	£ GBP	Libor + 2.1%	2037	Amortising	**21,755**	22,400
					56,908	59,002

Following a refinance completed in December 2019, Term loan 1 is an amortising 5 year term loan with annual capital repayments of £400,000 and falling due for final repayment in December 2024.

The Revolving Credit Facility is drawn for a fixed period, agreed in advance with the bank. The RCF is either repaid at the end of the fixed period or the period extended. The RCF facility was refinanced in December 2021 for a 42 month period to June 2025. The available facility is £25m with an Accordion of £10m which can be requested in the first 30 months of the facility term.

The debenture loan is unsecured and no redemption date has been set.

The term loans 2-4 are repaid bi-annually and full repayment will be made by the expiry date and relate to the Group's PFI arrangement.

24. OTHER FINANCIAL LIABILITIES

	Group 2021 £000	Group 2020 £000	Trust 2021 £000	Trust 2020 £000
Amounts falling due after more than one year				
Other financial liabilities designated as fair value through other comprehensive income	**7,362**	10,910	-	-
	7,362	10,910	-	-

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Assets				
Amounts recoverable after more than one year				
Other financial assets designated as fair value through other comprehensive income	**165**	-	165	-
	165	-	165	-

25. FINANCIAL INSTRUMENTS

(a) Carrying amount of financial instruments

The carrying amounts of the financial assets and liabilities include:

	Notional amount £'000	Maturity year	Fixed rate %	Fair value 2021 £'000	Fair value 2020 £'000
Liabilities measured at amortised cost					
Interest rate swap 1	1,986	2024	5.865	**(168)**	(343)
Interest rate swap 2	4,865	2030	5.400	**(979)**	(1,498)
Interest rate swap 3	21,754	2037	4.400	**(6,215)**	(8,980)
Interest rate swap 4	9,000	2024	0.545	-	(179)
				(7,362)	(10,910)

	Notional amount £000	Maturity Year	Fixed Rate %	Fair value asset 2021 £000	Fair value asset 2020 £000
Assets measured at amortised cost					
Interest rate swap 4	9,000	2024	0.545	**165**	-

(b) Financial instruments measured at fair value

Derivative financial instruments

The fair value of interest rate swap and interest rate caps is based on broker quotes. Those quotes are tested for reasonableness by comparing against prior year valuations, market interest rates and valuations for similar instruments at the measurement date.

25. FINANCIAL INSTRUMENTS – continued

(c) Hedge accounting

To hedge the potential volatility in future interest cash flows arising from movements in LIBOR or SONIA, as applicable, the Group has entered into swap agreements with RBS, the Bank of Tokyo Mitsubishi, Santander and Co-operative Bank. These result in the Group paying the LIBOR floating interest rate and receiving and/or paying a fixed interest rate on the swaps. This effectively fixes the interest cost on the loans.

The derivatives are accounted for as a hedge of variable interest rate risks, in accordance with FRS 102. The cash flows arising from the interest rate swaps will continue until their maturity, coinciding with the repayment of the loans.

The following table indicates the periods in which the cash flows associated with cash flow hedging instruments are expected to occur as required by FRS 102.29(a) for the cash flow hedge accounting models:

	2021						2020					
	Carrying Amount £000	**Expected cash flows £000**	**1 year or less £000**	**1 to <2years £000**	**2 to <5years £000**	**5 years and over £000**	Carrying amount £000	Expected cash flows £000	1 year or less £000	1 to <2years £000	2 to <5years £000	5years and over £000
Interest rate swaps:												
Liabilities	**37,605**	**15,714**	**1,907**	**1,775**	**4,453**	**7,579**	39,301	17,739	2,025	1,907	4,875	8,932
	37,605	**15,714**	**1,907**	**1,775**	**4,453**	**7,579**	39,301	17,739	2,025	1,907	4,875	8,932

The change in fair value in the period is recognised in other comprehensive income as the swaps were 100% effective hedges.

(d) Fair values

The amounts for all financial assets and financial liabilities carried at fair value are as follows:

	Fair value	Fair value
	2021	2020
	£'000	£'000
Interest rate swaps – liabilities	**(7,362)**	(10,910)
Interest rate swaps – assets	**165**	-
	(7,197)	(10,910)

26. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are attributable to the following:

	Group	Group	**Trust**	Trust
Held in provisions for liabilities and charges	**2021**	2020	**2021**	2020
	£000	£000	**£000**	£000
At 1 January	**3,786**	3,262	-	-
Profit and loss account charge	**2,482**	576	-	-
Amount recognised in other comprehensive income	**139**	(52)	-	-
At 31 December	**6,407**	3,786	-	-

26. DEFERRED TAX ASSTES AND LIABILITIES - continued

Held in debtors	**2021**	2020	**2021**	2020
	£000	£000	**£000**	£000
At 1 January	**(2,577)**	(2,064)	-	-
Profit and loss accounts charge/(credit)	**18**	(99)	-	-
Amount recognised in other comprehensive income	**(58)**	(414)	-	-
At 31 December	**(2,617)**	(2,577)	-	-

Deferred tax liability	**Group 2021**	Group 2020	**Trust 2021**	Trust 2020
	£000	£000	**£000**	£000
Accelerated capital allowances	**3,489**	2,576	-	-
Other timing differences	**105**	(52)	-	-
Short term timing differences financial instruments	**(299)**	350	-	-
Other short term timing differences	**3,112**	1,612	-	-
	6,407	3,786	-	-

Deferred tax asset	**2021**	2020	**2021**	2020
	£000	£000	**£000**	£000
Accelerated capital allowances	**35**	30	-	-
Other timing differences	**129**	59	-	-
Short term timing differences relating to pension provision	**899**	799	-	-
Short term timing differences - financial instruments	**1,554**	1,689	-	-
	2,617	2,577	-	-

27. EMPLOYEE BENEFITS

Henmead Limited operates a pension scheme providing benefits to a finite number of long serving retired employees based on an ex-gratia pension determined by the Chairman. The pension scheme has no assets and the pension scheme liability is recognised in full in the balance sheet and detailed below.

The information disclosed below is in respect of the whole of the plan and for which Henmead Limited is legally responsible.

Net pension liability	**2021 £'000**	2020 £'000
Defined benefit obligation	**3,594**	4,104
Plan assets	**-**	-
Net pension liability	**3,594**	4,104

Movements in present value of defined benefit obligation	**2021 £'000**	2020 £'000
At 1 January	**4,104**	3,993
Interest expense	**82**	40
Remeasurement: actuarial (gains)/losses	**(296)**	367
Benefits paid	**(296)**	(296)
Net pension liability	**3,594**	4,104

27. EMPLOYEE BENEFITS - continued

Expense recognised in the SOFA	**2021 £'000**	2020 £'000
Net interest on net defined benefit liability	**82**	40
Total expense recognised in the SOFA	**82**	40

Principal actuarial assumptions (expressed as weighted averages) at the year-end were as follows:

	2021 %	2020 %
Discount rate	**2.00**	1.00

The last full actuarial valuation was performed on 31 December 2021. The amount for the current and four previous periods are as follows:

	2021 £000's	2020 £000's	2019 £000's	2018 £000's	2017 £000's
Present value of scheme liabilities	**(3,594)**	(4,104)	(3,993)	(3,902)	(3,999)
Experience adjustments on scheme liabilities	**(296)**	(367)	(319)	(97)	(34)

In valuing the liabilities of the pension fund at 31 December 2021, mortality assumptions have been made as indicated below.

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality table and include an allowance for future improvements in longevity.

The assumptions are equivalent to expending a 75 year old to live for a number of years as follows:

	2021 Years	2020 Years
Female	**14**	14
Male	**12**	12

Defined contribution plans

Group

The Group operates a number of defined contribution pension plans.

The total expense relating to these plans in the current year was £2,925,000 (2020: £2,870,000) and the amount due to the scheme at the year-end is £277,000 (2020: £199,000) and is included in other creditors.

28. OTHER PROVSIONS

Other provisions represents a dilapidation provision for a property operated by the Trust.

Included within the Water Park accounts are provisions for lease dilapidation of £72,000 (2020: 90,000).

29. MOVEMENT IN FUNDS

	At 1/1/21 £'000	Net movement in funds £'000	At 31/12/21 £'000
Unrestricted funds			
General fund	79,480	11,075	90,555
Designated fund	2,268	-	2,268
Designated (Stoves)	2	-	2
Wright Lodge fit out costs	12	(3)	9
	81,762	11,072	92,834
TOTAL FUNDS	81,762	11,072	92,834

Net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
Unrestricted funds				
General fund	176,787	(173,555)	7,843	11,075
Wright Lodge fit out costs	-	(3)	-	(3)
	176,787	(173,558)	7,843	11,072
TOTAL FUNDS	176,787	(173,558)	7,843	11,072

Comparatives for movement in funds

	At 1/1/20 £'000	Net movement in funds £'000	At 31/12/20 £'000
Unrestricted Funds			
General fund	75,746	3,734	79,480
Designated fund	2,268	-	2,268
Designated (Stoves)	2	-	2
Wright Lodge fit out costs	13	(1)	12
	78,029	3,733	81,762
TOTAL FUNDS	78,029	3,733	81,762

29. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
Unrestricted funds				
General fund	219,531	(213,430)	(2,367)	3,734
Wright Lodge fit out costs	-	(1)	-	(1)
	219,531	(213,431)	(2,367)	3,733
TOTAL FUNDS	219,531	(213,431)	(2,367)	3,733

The designated fund reflects the value of the property, which has been designated for the use of the Water Park, and the grant received for the purchase of certain fixed assets, which is being released in line with the depreciation of the fixed assets purchased.

During 2010 a donation was received towards the costs of Stoves. This was transferred to a separate designated fund. Depreciation of the Stoves in Water Park Limited accounts are covered by a grant paid out of the Stoves Designated Fund.

During 2012 a donation was received towards the fit out costs of the Wright Lodge Building. This was transferred to a separate designated fund. Depreciation of the fit out costs in Water Park Limited accounts are covered by a grant paid out of the Fit out Designated Fund.

30. LEASING AGREEMENTS

Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Group 2021 £000	Group 2020 £000	**Trust 2021 £000**	Trust 2020 £000
Less than one year	**1,275**	1,107	-	-
Between one and five years	**2,617**	2,465	-	-
More than five years	**19,595**	22,526	-	-
	23,487	26,098	-	-

During the year £1,031,000 was recognised as an expense in the profit and loss account of the Henmead Limited group in respect of operating leases (2020: £1,017,000).

30. LEASING AGREEMENTS -continued

Leases as lessor

The investment properties held by Henmead Limited are let under operating leases. The future minimum lease payments receivable under non-cancellable leases are as follows:

	Group 2021 £000	Group 2020 £000	**Trust 2021 £000**	Trust 2020 £000
Less than one year	**5,571**	5,442	-	-
Between one and five years	**15,022**	16,645	-	-
More than five years	**54,025**	45,159	-	-
	74,618	67,246	-	-

There are no material leasing arrangements requiring disclosure.

Finance leases

Leases as lessor

The Group has finance leases in connection with its PFI arrangements. The minimum lease receivable payment receivable at the end of the reporting period are as follows:

	Minimum lease receivable 2021 £000	**Interest 2021 £000**	**Principal 2021 £000**	Minimum lease receivable 2020 £000	Interest 2020 £000	Principal 2020 £000
Within one year	**4,630**	**2,884**	**1,746**	5,016	3,001	2,015
Greater than one year and less than two years	**4,769**	**2,737**	**2,032**	4,656	2,857	1,799
Greater than two years and less than five years	**14,909**	**7,080**	**7,829**	14,768	7,585	7,183
Greater than five years	**36,385**	**11,120**	**25,265**	41,280	13,057	28,223
	60,693	**23,821**	**36,872**	65,720	26,500	39,220

31. COMMITMENTS

The Group and the Trust have no contractual commitments to purchase tangible fixed assets at either the current or prior year-end.
In respect of interests in Jointly Controlled Entities, the Group and the Trust have no commitment to incur capital expenditure at either the current or prior year end.

32. CONTINGENT LIABILITIES

There is a cross guarantee in place in relation to the Group's Revolving Credit Facility between a number of Group companies. This is supported by a first legal charge over certain Group investment properties.

33. RELATED PARTY DISCLOSURES

Related parties
The following is the identity of related parties of the Group.

Company/entity	Portion of ordinary shares held	
Subsidiary undertakings		
Henmead Limited*	100%	
Eric Wright Group Limited	100%	
Eric Wright Construction Limited	100%	
Eric Wright Partnerships Limited (formerly Eric Wright Health and Care Limited)	100%	
Eric Wright Civil Engineering Limited	100%	
Maple Grove Developments Limited	100%	
Eric Wright Investments Limited	100%	Dormant
Maple Grove Investments Limited	100%	
Stonecross Enterprises Limited	100%	
Elltech Limited	95%	
Sceptre Nursery Limited	100%	
Eric Wright Commercial Limited	100%	Dormant
Skemtech Limited	95%	
Fleetwood PPP Limited	100%	
Cobco 494 Limited	100%	
Cobco 450 Limited	100%	
Eric Wright FM Limited	100%	
Eric Wright Homes Limited	100%	
Maple Grove Residential Limited	100%	
Applethwaite Limited	100%	
Eric Wright Developments	100%	Dormant
Eric Wright Water Limited	100%	
EWGN Blackpool PSP Limited	80%	Dormant
Blackpool LEP Limited	64%	
Highfield PFI Holdco Limited	72%	Dormant
Highfield PFI SPV Limited	72%	
Samlesbury Developments Limited	100%	Dormant
Joint ventures		
Foundation for Life Limited	60%	
Leigh Holdco Limited	60%	Dormant
Leigh Fundco Limited	60%	
Pacific Shelf 888 Limited	60%	
Pemberton Care Limited	60%	
Pinco 2033 Limited	60%	
Pinco 2206 Limited	60%	
Pimco 2401 Limited	60%	
FFL Capital Projects Limited	60%	Dormant
East Lancashire Building Partnership Limited	60%	
Blackburn Holdco Limited	60%	Dormant
Blackburn Fundco Limited	60%	
Rossendale LIFT Limited	60%	
Pinco 2223 Limited	60%	
Pimco 2297 Limited	60%	
Inhoco 2952 Limited	60%	
Pimco 2451 Limited	60%	
East Lancashire Capital Projects Limited	60%	
Brahm LIFT Limited	60%	

33. RELATED PARTY DISCLOSURES – continued

Company/entity	Portion of ordinary shares held	
Subsidiary undertakings		
Brahm Intermediate Holdco 1 Limited	60%	Dormant
Brahm Fundco 1 Limited	60%	
Brahm Intermediate Holdco 2 Limited	60%	Dormant
Brahm Fundco 2 Limited	60%	
Bolton Holdco 1 Limited	60%	Dormant
Bolton Fundco 1 Limited	60%	
Brahm Capital Projects Limited	60%	Dormant
Booths Partnership Limited	50%	
Regional and Local Education Partnership Limited	26%	Dormant
Tri link 140 Holdings 1 LLP	50%	
Tri Link 140 Holdings 2 LLP	50%	
Winsford Holdings 1 LLP	50%	
Winsford Holdings 2 LLP	50%	
Holbeck Homes (Cartmel) Limited	50%	
Glenholme Wrightcare Limited	50%	
Glenholme Senior Living (Bispham Gardens) Limited	50%	
Associates		
Deeside Regeneration Limited	24.9%	

All companies are registered and operate in England and Wales and principal activities are either building, contracting, civil engineering or property development. The registered addresses of the related parties are available in the accounts of each of the entities, which are available from Companies House.

* Eric Wright Charitable Trust directly owns the share capital of this entity. All remaining share capital, apart from Water Park Limited (which is directly owned) is owned indirectly through subsidiary undertakings.

Related party transactions

	Henmead shareholding	Goods and services supplied		Balance outstanding at the end of the year	
		2021	2020	**2021**	2020
		£000's	£000's	**£000's**	£000's
During the year subsidiaries of Henmead Limited supplied construction services to the following companies in which the Group has an interest. These services were provided by Eric Wright Construction Limited.					
Blackpool Local Education Partnership Limited	64%	**1,090**	2,994	**149**	-
During the year subsidiaries of Henmead Limited supplied hard FM services to the following companies in which Eric Wright Group Limited has an interest. These services were provided by Eric Wright FM Limited.					
Blackpool Local Education Partnership Limited	64%	-	94	-	-
Blackburn Fundco Limited	60%	**422**	276	-	-
Bolton Fundco 1 Limited	60%	**340**	321	-	-
Brahm Fundco 1 Limited	60%	**667**	654	-	-
Brahm Fundco 2 Limited	60%	**528**	483	**8**	-
Highfield PFI SPV Limited	72%	**512**	403	-	-
Inhoco 2952 Limited	60%	**911**	911	-	-
Leigh Fundco Limited	60%	**273**	269	-	-
Pacific Shelf 888 Limited	60%	**36**	35	**15**	-
Pemberton Care Limited	60%	**111**	110	**22**	-
Pimco 2297 Limited	60%	**80**	98	-	-
Pimco 2401 Limited	60%	**148**	145	-	-

33. RELATED PARTY DISCLOSURES – continued

Related party transactions

	Henmead shareholding	Goods and services supplied		Balance outstanding at the end of the year	
		2021 £000's	2020 £000's	**2021 £000's**	2020 £000's
Pimco 2451 Limited	60%	**479**	404	-	-
Pinco 2033 Limited	60%	**483**	474	-	-
Pinco 2206 Limited	60%	**289**	286	**1**	-
Pinco 2223 Limited	60%	**634**	555	-	-
Rossendale Lift Limited	60%	**411**	404	-	-

During the year subsidiaries of Henmead Limited provided management services to the following companies in which Eric Wright Group Limited has an interest. These services were provided by Eric Wright Partnerships Limited.

Blackburn Fundco Limited	60%	**20**	20	-	-
Blackpool Local Education Partnership Limited	64%	-	26	-	-
Bolton Fundco 1 Limited	60%	**118**	72	-	-
Brahm Fundco 1 Limited	60%	**195**	125	-	-
Brahm Fundco 2 Limited	60%	**162**	97	-	-
Brahm Lift Limited	60%	**111**	94	-	-
Inhoco 2952 Limited	60%	**290**	132	-	-
Leigh Fundco Limited	60%	**50**	49	-	-
Pacific Shelf Limited	60%	**9**	9	**3**	-
Pemberton Care Limited	60%	**31**	30	-	-
Pimco 2297 Limited	60%	**10**	9	-	-
Pimco 2401 Limited	60%	**72**	46	-	-
Pimco 2451 Limited	60%	**85**	78	-	-
Pinco 2033 Limited	60%	**224**	108	-	-
Pinco 2206 Limited	60%	**115**	88	-	-
Pinco 2223 Limited	60%	**86**	81	-	-
Rossendale Lift Limited	60%	**28**	25	-	-
East Lancashire Building Partnership Limited	60%	**77**	15	-	-
Foundation for Life Limited	60%	**90**	28	-	-
Glenhome Wrightcare Ltd	50%	**16**	79	-	-

During the year a Group company carried out construction services on behalf of a Trustee. The work was undertaken by a non-charitable trading subsidiary of the Charity. The services were completed on commercial terms and so fall outside of the remit of the Charity itself. The total value of services was £735,000 with the maximum outstanding in the year of £257,000. No amounts are outstanding at the year end (2020: £257,000).

34. ULTIMATE CONTROLLING PARTY

The Trust is under the control of the board of Trustees.

THE ERIC WRIGHT CHARITABLE TRUST

England & Wales - Charity number 1002966

Accounts

REGISTERED CHARITY NUMBER: 1002966

REPORT OF THE TRUSTEES AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 FOR THE ERIC WRIGHT CHARITABLE TRUST

Fairhurst
Statutory Auditor
Chartered Accountants
Douglas Bank House
Wigan Lane
Wigan
Lancashire
WN1 2TB

THE ERIC WRIGHT CHARITABLE TRUST

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for the Year Ended 31 December 2020

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TRUSTEES REPORT
for the Year Ended 31 December 2020

The Trustees present their report with the financial statements of the Charity for the year ended 31 December 2020. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity was established by deed on the 23 April 1990. The Trust was granted charitable status on 17 May 1991 as a general charitable trust with registered charity number 1002966.

Organisational structure

The Trustees meet at least four times a year to agree strategic direction, receive reports from staff, approve budgets and finance reports and endorse new policies as well as changes to existing policies. The day to day responsibility for the Eric Wright Charitable Trust rests with a board of trustees who use professional advice and support where required.

Recruitment and appointment of new trustees

The power to appoint new trustees is vested in the settlor, Eric Wright, during his lifetime. New trustees are appointed as and when required and determined by the current trustee body and the needs of the Charity in consultation with the settlor.

Two new trustees were appointed during the year. In appointing new trustees, the trustees would seek to address the issue of any skill and knowledge gap within their body.

Induction and training of new trustees

New trustees will be subject to training as required by their previous experience. Ongoing training is provided to the existing trustees as required.

Related parties

The Charity is related to its subsidiaries, Water Park Limited and Henmead Limited, and in turn all of Henmead's subsidiaries, and also to the Eric Wright Learning Foundation, a charitable company limited by guarantee of which the Trust is a member and provides the majority of its funding.

Conflicts of interest

The Trust operates in accordance with its Conflict of Interest policy. From time to time the Charity may make grants to organisations with whom one or more of its Trustees is connected, typically as a Trustee or member of staff. The Trustees make every effort to ensure that decisions on these grants are made at arms-length, and in accordance with its policy for dealing with potential conflicts of interest.

Risk management

The Trustees have examined the major strategic, business and operational risks which the Charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks. The principal risks identified by the Trustees relate to financial controls, risk management within the operating subsidiaries, and investment. The policies in relation to financial controls and risk management are reviewed on an annual basis. In relation to investments, the Trustees review these in conjunction with investment advisors on a six-monthly basis.

Financial Controls: the Trustees operate on a day to day basis in accordance with their financial controls policy, which is formally reviewed and updated on an annual basis.

Operating Subsidiaries: there are detailed procedures in place in relation to risk management within the operating subsidiaries. In the case of Water Park Limited, the directors meet on a six-monthly basis as a Board and provide operational and financial reports to the Trustees on a six-monthly basis. In the case of Henmead Limited and its subsidiaries, the directors of these operational boards meet on a monthly basis and provide operational and financial reports to the Trustees on a quarterly basis. There are also a number of reserved matters that require the consent of the Trustees before they can be implemented by the operational boards of Henmead Limited and its subsidiaries. The Trustees meet with the auditors of Henmead Limited and of its operating subsidiaries at their June meeting to receive their annual audit report and discuss any recommendations arising, which informs the Trustees' approach to ongoing risk management within that operating subsidiary.

Investments: the Trustees receive quarterly reports from their Investment advisors, who also present their reports in person at the Trustees' meetings in June and December each year to give their advice and address any matters.

In addition to the above, the Trustees formally review risk management on an annual basis.

Charity Commission Governance Code
The Trustees have taken note of and followed the Charity Commission Governance Code where appropriate.

Remuneration
No Trustees are remunerated by the Charity. The Charity does not have any employees.

OBJECTIVES AND ACTIVITIES

Grant Making Policy
The Eric Wright Charitable Trust is a general charitable trust with unrestricted objects. However, the Trustees have prioritised donations to charitable activities based in the North West of England within the following sectors:

- Youth Development
- Elderly Care
- Education and Training
- Carers Support Services
- Health Support Services
- Community and Voluntary Service Organisations
- Mental Health
- Child/Family Support

Procedures and policy for grant making
The Coronavirus pandemic has had an exceptional impact on the charitable sector and, as a direct result, in March 2020 the Trustees suspended the Grants Programme. The Trustees used this time to bring forward the review of the Charitable Giving Strategy that was planned for 2021. The review of the Charitable Giving Strategy was completed in 2020 and the refined Grants Programmes are outlined below.

- a Major Grants programme for grants in excess of £10,000, typically for medium-sized charities. Charitable organisations are invited to apply for these following an initial review and face to face meeting with one or more of the Trustees. Application for a Major Grant is by invitation only and by way of a formal Grant Application Form stating, inter alia, how the funds would be used, what would be achieved, how results would be measured, and providing constitutional and financial information.
- a Community Grants programme for grants between £5,000 and £10,000, typically for small to medium sized charities. Charitable organisations are invited to apply for these following an initial review and face to face meeting with one or more of the Trustees. Application for a Community Grant is by invitation only and by way of a formal Grant Application Form stating how the funds would be used and providing constitutional and financial information.
- a Small Grants Programme for grants under £5,000, typically for small charities. Applications are made in the first instance by letter or via the Trust's website and are subject to such requirements as the Trustees believe are appropriate in relation to the nature of the applicant organisation and the size of the grant.

The Trustees deal with approvals under each Grant Programme in the manner they believe is appropriate to that Grant Programme.

Public Benefit
The Trustees confirm that they have had due regard to the Charity Commission's general guidance on public benefit in planning future strategy, developing grant-making policy and in making grants. The Trustees believe that the Charity achieves significant social benefit through the following activities:

- its operation of the Water Park facility, the public benefit of which is considered below
- its membership of the Eric Wright Learning Foundation, the public benefit of which is considered below
- its grant-making strategy, which aims at providing funding for charities, typically small and medium sized operating in the North West of England, which the Trustees believe provide a wide range of public benefit, with particular emphasis on the health, well-being and education of local residents and the development of local communities.

Public Benefit (cont.)

However, given that the Trust has unrestricted objects, the Trustees retain full discretion to make grants for any charitable purpose as they see fit, depending upon the circumstances.

Significant activities
The activities of the Charity are set out below.

ACHIEVEMENT AND PERFORMANCE

Charitable activities for the public benefit
During the year, the Trust continued to operate in furtherance of the objectives stated above. Its principal activities were as follows:

Water Park Outdoor Pursuits Centre
Water Park is an outdoor pursuit centre owned by the Trust on Coniston Water in the Lake District aimed at helping young people, many from disadvantaged backgrounds, to spend time in a wholly different learning environment and assist their self-development. The teachers from the respective schools stay with the children and frequently comment on the positive impact that the stay at Water Park has had. Comments include:

- *Improves young people's ability to work together and tolerate others*
- *Their resilience and perseverance is improved*
- *Young people who may struggle academically are allowed to shine in this different environment*
- *The opportunity to escape from a challenging home life and to be a child for a week is immeasurable*

The educational benefit of such courses can be seen from the fact that many bookings are return visits from schools who now see a visit to Water Park as an integral part of the broader curriculum.

The operation of Water Park is undertaken through a wholly owned subsidiary, Water Park Limited, the company responsible for running the centre. Day to day management and operation of the centre is delegated to a management team who, in turn, report to Water Park Limited.

During the financial year under review, the centre provided courses until March 2020 when, as advised by the government, it had to temporarily close due to the pandemic. The centre remained closed for the remainder of the year, reopening in a limited capacity in April 2021. The management team are working closely with attendees to provide safe course offerings during 2021.

Subsidies from the Trust are available for individuals or groups who cannot afford to attend. Applications for a subsidy are considered in accordance with guidelines established and periodically reviewed by the Trustees in order to ensure objectivity. This approach enables support to be focused towards groups or individuals where the need is greatest.

In the year to 31 December 2020, the total operating cost for Water Park was £919,000 (2019: £981,000). The Trustees' projections do not envisage Water Park Limited generating an operating surplus in the foreseeable future and as a consequence have factored an ongoing financial commitment in support of the subsidiary into the reserves policy.

The Trustees are satisfied that the Water Park facility meets the Charity Commission's guidance on public benefit.

The Eric Wright Learning Foundation
The Trust is a member of the Eric Wright Learning Foundation, a charitable company limited by guarantee, and provides the funding to support its activities. The Learning Foundation works in partnership with Preston's College to provide vocational training for both the 14-16 and 16-18 learner cohorts across the following trades:

- Brickwork
- Plastering & Joinery
- Painting & Decorating
- Plumbing
- Electrical

Support is provided by the Learning Foundation to 14-16 learners through mentoring, PPE, bursaries, and the opportunity to access apprenticeships or further training. During the financial year under review the Trust provided funding of £81,000 to The Eric Wright Learning Foundation.

Charitable Grant Making Strategy
During 2020, the Trustees continued to develop their charitable giving strategy, working with a wide number of organisations across the North West of England. Donations of £334,000 (2019: £904,000) were made to 48 registered charities working within the sectors listed below. Donations made in 2020 were substantially lower than 2019 due to the temporary postponement of the grants programme in order to undertake a full strategy review.

- Youth Development
- Elderly Care
- Education and Training
- Carers Support Services
- Health Support Services
- Community and Voluntary Service Organisations
- Family Support
- Mental Health

Of this total, 77% (of sums donated) were made under the Major Grants programme.

Examples of some of the projects within these sectors that the Trustees have supported with Major Grants include:

Youth Development: a number of Youth Zones in the North West, which provide young people with local facilities that they can be proud of and activities which help them grow as responsible individuals and which make a significant difference to their lives on a daily basis.

Elderly: various Age UK and Age Concern organisations in providing much needed support for the community including information and advice services to help with a range of issues.

Education and Training: in addition to funding the Eric Wright Learning Foundation referred to above, the Trustees have also provided support to a local charity which aims to maximise the engagement of children and parents in schools and expand the opportunities for them to improve their lives in the local community.

Carers Support Services: projects run by Carers' organisations for which the Trustees have provided financial support include: providing support specifically targeted at Young Adult Carers; employing a full time Young Carers' Support Worker to provide 1 to 1 support; specialist Dementia Carers' Support; a 1 to 1 Carers' Buddy service; and integration of the carers' service into new models of working.

Health: projects run by charities focussed on health care and well-being for which the Trustees have provided financial support includes funding the role of a Community Outreach Support Worker to provide advice, guidance and support to vulnerable people with low vision or sight loss who are living independently; and improving the literacy and numeracy skills of young deaf people to enable them to access training courses leading to nationally recognised skills qualifications.

Community and Voluntary Services: the Trustees have worked with a number of CVS organisations across the North West to provide Grant Funds managed by the local CVS organisation which can be accessed by small grass roots organisations, thereby building community cohesion and reducing social isolation.

To continue with the ongoing development of the Trust's Objectives and Activities, the Trustees completed a full review of the Charitable Giving Strategy. The new strategy was implemented in 2021.

FINANCIAL REVIEW

Principal funding sources

The Eric Wright Charitable Trust is funded by donations from Henmead Limited. Income generated by the managed investment portfolio is reinvested within the portfolio.

Investment policy and objectives

There are no restrictions on the Trustees' powers to invest. To the extent that future accumulated reserves exceed the Trust's short to medium-term objectives, the Trustees will be seeking to build reserves to strengthen the long-term sustainability of the Trust as well as to develop the flexibility to fund larger projects that also meet its criteria.

Investment performance

The Trust has three principal investments in addition to the cash balances retained to fulfil the operational reserves policy. These are the property at High Nibthwaite, Cumbria; the 100% shareholding in Henmead Limited; and a portfolio of investments managed by Brewin Dolphin Investment Managers.

High Nibthwaite

The property is rented out to Water Park Limited at an annual rent of £80,000 per annum, representing a return of 3.6% on the investment. The property is presently valued at £2,250,000 and is subject to three-yearly revaluations, with the last valuation undertaken in June 2018.

Henmead Limited

The Trust is sole shareholder of Henmead Limited, a subsidiary company with a net book value of £73,151,000. Financial results for Henmead Limited are published separately.

Managed Investment Portfolio

The managed investment portfolio was valued at £3,118,000 as at 31st December 2020. The Trustees have appointed professional investment advisors who advise on investment policy and strategy and asset allocation. The Trustees have aligned the investment risk profile with other charitable organisations and are confident that the investment strategy will serve the Trust well.

Reserves policy

It remains the policy of the Trust to maintain cash and liquid funds at a level that equates to a minimum of two years' committed expenditure at any one time. This would enable the Trust to honour its commitments and for the foreseeable future allow the Trust to make future pledges.

Under the terms of the Trust Deed, the General Fund is expendable at the Trustees' discretion. All unexpended funds are therefore held in the General Fund. The Trustees intend to continue monitoring the value of the General Fund in real terms to ensure that they are able to achieve both income and capital appreciation so as to maintain the existing level of charitable giving for the foreseeable future. At the year end the value of reserves held was £81,762,000.

Going concern

After making enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing the financial statements.

PLANS FOR FUTURE PERIODS

During 2020 the Trustees reviewed and refreshed the Charitable Giving Strategy as outlined earlier in the report. The updated strategy was implemented in 2021 and will provide the basis and guidance for future grant awards for the next five years. The Trustees will continue to evolve the strategy organically although a full review is not intended for some time.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number
1002966

Principal address
Sceptre House
Sceptre Way
Bamber Bridge
Preston
Lancashire
PR5 6AW

Trustees

M E Collier	
A D Sturrock	
H MacDonald	
A Wright	
J M Collier	
B J Whewell	resigned 11/12/2020
M Newsholme	appointed 11/12/2020
C J Wilson	appointed 11/12/2020

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors
Fairhurst
Statutory Auditor
Chartered Accountants
Douglas Bank House
Wigan Lane
Wigan
Lancashire
WN1 2TB

Bankers
Royal Bank of Scotland PLC
Corporate Service Centre
PO Box 2027 Parklands
De Havilland Way
Bolton
BL6 4YU

TRUSTEES REPORT
for the Year Ended 31 December 2020

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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 Charity and of the incoming resources and application of resources, including the income and expenditure, of the Charity for that period. In preparing those financial statements, the Trustees are required to

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the Board of Trustees on 25th October 2021 and signed on its behalf by:

M E COLLIER
Trustee

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF THE ERIC WRIGHT CHARITABLE TRUST

Opinion

We have audited the financial statements of The Eric Wright Charitable Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Trust Balance Sheet, the Consolidated Cash Flow Statement, notes to the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 December 2020 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 Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE ERIC WRIGHT CHARITABLE TRUST

Matters on which we are required to report by exception
In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of trustees
As explained more fully in the Statement of Trustees Responsibilities, are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances on non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework within which the Charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Cat 2011 and the Charitie Statement of Recommended Practice (SORP).

We identified the greatest risk of material impact on the financial statement from irregularities, including fraud, to be the override of controls by management and the completeness of income. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing of journals and reviewing accounting estimates for biases, reading minutes of those charged with governance and designing audit procedures to test the timing of income.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with accounting standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with al laws and regulations.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE ERIC WRIGHT CHARITABLE TRUST

Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an 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 Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Fairhurst
Statutory Auditor
Chartered Accountants (Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006)
Douglas Bank House
Wigan Lane
Wigan
Lancashire
WN1 2TB

Date: 29th October 2021

THE ERIC WRIGHT CHARITABLE TRUST

INTRODUCTION TO THE FINANCIAL STATEMENTS

for the Year Ended 31 December 2020

The Eric Wright Charitable Trust (the Charity) owns Water Park Limited and Henmead Limited, the latter being a group of non-charitable trading companies operating in the property and construction industry. Water Park Limited and Henmead Limited are wholly owned subsidiaries and, as required by charitable law, are consolidated into charitable accounts as presented in the Financial Statements on the subsequent pages.

The Statement of Financial Activities for the Charity has been reproduced below to present the activities of the Charity prior to the consolidation of the subsidiary companies (Henmead Limited and Water Park Limited).

	2020	2019
	£000	£000
INCOME AND ENDOWMENTS FROM:		
Donations and legacies	**1,790**	2,432
Investment income	**125**	147
	1,915	2,579
EXPENDITURE ON:		
Raising funds	**74**	67
Charitable activities:		
Financial assistance to Water Park Ltd	**681**	680
Grant to institutions other than Water Park Ltd	**334**	904
Total	**1,089**	1,651
Net gains on investments	**2,907**	1,079
NET INCOME	**3,733**	2,007

A proportion of the profits from Henmead Limited (which trades through the Eric Wright Group Companies) are donated annually to the Eric Wright Charitable Trust. The Charity uses the donation from Henmead Limited to support local charities as outlined in the Charitable Giving Strategy contained within the Trustees Report and listed in Note 10 of the accounts. Surpluses are invested in a managed share portfolio to provide future stability and fulfilment of the Charity's objectives.

THE ERIC WRIGHT CHARITABLE TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 December 2020

	Notes	**2020 Total funds**	2019 Total funds
		£'000	£'000
INCOME AND ENDOWMENTS FROM			
Donations and legacies	2	**-**	2
Commercial trade operation	3	**219,167**	236,222
Charitable activities			
Third party fee income paid to Water Park	4	**145**	381
Other income	5	**174**	7
Investment income	6	**45**	67
Total incoming resources		**219,531**	236,679
RESOURCES EXPENDED			
Costs of generating funds			
Raising funds	7	**1**	7
Commercial trade operation	8	**212,103**	231,759
Charitable activities	9		
Grants to other Charitable bodies		**334**	904
Costs of operating Water Park		**993**	1,048
Total resources expended		**213,431**	233,718
Gain on revaluation of investment property		**347**	1,523
Net gains on investments		**235**	296
NET INCOME		**6,682**	4,780
Other recognised (losses)/gains			
Actuarial loss on defined benefit pension scheme		**(367)**	(319)
Share of comprehensive loss of joint ventures & associates		**(1,999)**	(2,208)
Effective portion of changes in fair value of cash flow hedge		**(1,049)**	(361)
Deferred tax on other comprehensive loss		**466**	115
		(2,949)	(2,773)
Total income for the year		**3,733**	2,007
RECONCILIATION OF FUNDS			
Total funds brought forward		**78,029**	76,022
TOTAL FUNDS CARRIED FORWARD		**81,762**	78,029

THE ERIC WRIGHT CHARITABLE TRUST

CONSOLIDATED BALANCE SHEET
At 31 December 2020

	Notes	**2020 Total funds**	2019 Total funds
		£'000	£'000
FIXED ASSETS			
Goodwill	15	**1,181**	-
Tangible assets	16	**4,202**	4,600
Investments			
Investments	17	**7,642**	10,269
Investment property	18	**78,132**	74,272
		91,157	89,141
CURRENT ASSETS			
Stocks	19	**24,447**	25,516
Debtors	20	**80,662**	94,407
Cash at bank		**27,628**	20,255
		132,737	140,178
CREDITORS			
Amounts falling due within one year	21	**(61,759)**	(66,448)
NET CURRENT ASSETS		**70,978**	73,730
TOTAL ASSETS LESS CURRENT LIABILITIES		**162,135**	162,871
CREDITORS			
Amounts falling due after more than one year	22	**(72,393)**	(77,471)
PROVISIONS FOR LIABILITIES			
Deferred tax liability	26	**(3,786)**	(3,262)
Pensions and similar obligations	27	**(4,104)**	(3,993)
Other provisions	28	**(90)**	(116)
NET ASSETS		**81,762**	78,029
FUNDS	29		
Unrestricted funds		**81,762**	78,029
TOTAL FUNDS		**81,762**	78,029

The financial statements were approved by the Board of Trustees on 25th October 2021 and were signed on its behalf by:

M E COLLIER
Trustee

THE ERIC WRIGHT CHARITABLE TRUST

TRUST BALANCE SHEET
31 December 2020

	Notes	**2020 Total funds**	2019 Total funds
		£'000	£'000
FIXED ASSETS			
Tangible assets	16	**24**	27
Investments			
Investments	17	**76,269**	73,338
Investment property	18	**2,250**	2,250
		78,543	75,615
CURRENT ASSETS			
Debtors	20	**314**	276
Cash at bank		**3,142**	2,349
		3,456	2,625
CREDITORS			
Amounts falling due within one year	21	**(237)**	(211)
NET CURRENT ASSETS		**3,219**	2,414
TOTAL ASSETS LESS CURRENT LIABILITIES		**81,762**	78,029
CREDITORS			
Amounts falling due after more than one year	22	**-**	-
NET ASSETS		**81,762**	78,029
FUNDS	29		
Unrestricted funds		**81,762**	78,029
TOTAL FUNDS		**81,762**	78,029

The financial statements were approved by the Board of Trustees and authorised for issue on 25th October 2021 and were signed on its behalf by:

M E COLLIER
Trustee

THE ERIC WRIGHT CHARITABLE TRUST

CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 December 2020

	Notes	**2020** **£'000**	2019 £'000
Cash flows from operating activities:			
Cash generated from operations	1	**11,956**	(3,584)
Other comprehensive income (non-cash)		**2,949**	2,773
Movement in provisions		**(528)**	(478)
Tax paid		**68**	238
Net cash received/(paid) by operating activities		**14,445**	(1,051)
Cash flows from investing activities:			
Purchase of intangible fixed assets		**(1,066)**	-
Purchase of tangible fixed assets		**(183)**	(376)
Purchase of fixed asset investments		**(24)**	(545)
Purchase of investment property		**(3,983)**	(8,391)
Acquisition of joint venture		**-**	(38)
Sale of tangible fixed assets		**-**	5
Sale of investment property		**470**	2,098
Sale of investment in associate		**1,439**	-
Repayment of loans		**4,265**	1,783
New loans		**(1,161)**	(3,058)
Interest received		**3**	7
Dividends received		**192**	618
Net cash used in investing activities		**(48)**	(7,897)
Cash flows from financing activities:			
New loans in year		**2,500**	7,500
Loan repayments in year		**(9,144)**	(1,763)
(Decrease)/increase in directors loan		**(380)**	574
Net cash (used in)/provided by financing activities		**(7,024)**	6,311
Change in cash and cash equivalents in the reporting period		**7,373**	(2,637)
Cash and cash equivalents at the beginning of the reporting period	2	**20,255**	22,892
Cash and cash equivalents at the end of the reporting period	2	**27,628**	20,255

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 December 2020

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020	2019
	£'000	£'000
Net income for the reporting period (as per the statement of financial activities)	**3,733**	2,007
Adjustments for:		
Depreciation charges	**379**	373
Gain on investments	**(1,666)**	(284)
Loss on disposal of fixed assets	**96**	14
Interest received	**(3)**	(7)
Dividends received	**(42)**	(60)
Revaluation of investment properties	**(340)**	(1,535)
Operating profit of joint ventures & associates	**(2,142)**	(2,922)
Taxation	**556**	429
Decrease/(increase) in stocks	**1,069**	(116)
Decrease/(increase) in debtors	**14,255**	(9,032)
(Decrease)/increase in creditors	**(3,939)**	7,549
Net cash provided by/(used in) operating activities	**11,956**	(3,584)

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020	2019
	£'000	£'000
Cash & cash equivalents	**27,628**	20,255
Total cash and cash equivalents	**27,628**	20,255

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2020

1. ACCOUNTING POLICIES

1.1 Basis of preparing the financial statements

The financial statements of the Charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

All amounts in the financial statements have been rounded to the nearest £1,000.

The Eric Wright Charitable Trust ("the Trust") is a Charitable Trust registered and domiciled in the UK.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the Trustees, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed later in accounting policies under the title 'Accounting estimates and judgements.'

1.2 Going concern

The Trust's activities are set out on the Trustees' report set out on pages 2 to 7**.** The financial position of the Trust is set out in the Consolidated balance sheet on page 14. The financial risk and management of financial risk is explained in the Trustees' report.

The Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Consideration of going concern for subsidiary entities is made at Henmead level and the Trustees agree with the conclusion formed.

1.3 Basis of consolidation

The consolidated financial statements include the financial statements of the Charity and its subsidiary undertakings made up to 31 December 2020. A subsidiary is an entity that is controlled by the Charity. The results of subsidiary undertakings are included in the consolidated statement of financial activities from the date that control commences until the date that control ceases. Control is established when the Charity has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Henmead Limited group of companies referred to as Group, takes into consideration potential voting rights that are currently exercisable. The Henmead Limited group of companies is controlled by the Charity, consequently the gross income and expenditure from its operations are presented on the Statement of Financial Activities for both the current and the comparative period.

An associate is an entity in which the Group has significant influence, but not control, over the operating and financial policies of the entity. Significance influence is presumed to exist when the investor holds between 20% and 50% of the equity voting rights.

A joint venture is a contractual arrangement undertaking in which the Group exercises joint control over the operating and financial policies of the entity. Where the joint venture is carried out through an entity, it is treated as a jointly controlled entity. The Group's share of the profits less losses of associates and of jointly controlled entities is included in the consolidated profit and loss account and its interest in their net assets is recorded on the balance sheet using the equity method. Where there is no obligation, commitment or guarantee by the group to fund the joint venture operations or make payments on behalf of the investees and there is no intention to in the future, then the share of net liabilities recognised in the group consolidated balance sheet is restricted to the value of the investment made by the group.

Where a group company is party to a joint venture which is not an entity, that company accounts directly for its share of the income and expenditure, assets, liabilities and cash flows. Such arrangements are reported in the consolidated financial statements on the same basis.

1. ACCOUNTING POLICIES - continued

1.4 Basis of preparing the financial statements

In the consolidated financial statements, investments in subsidiaries, jointly controlled entities and associates are carried at cost less impairment. In the accounts of the Trust, the investments in subsidiaries are carried at Net Asset Value.

1.5 Classification of financial instruments issued by the group

In accordance with FRS 102.22, financial instruments issued by the group are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the group; and

(b) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

1.6 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in preference and ordinary shares

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognised in the Statement of Financial Activities. Other investments are measured at cost less impairment in the Statement of Financial Activities.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Charity's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Finance lease debtors

At the commencement of the lease term, a finance lease is recorded in the balance sheet as a receivable, at an amount equal to the net investment in the lease.

The net investment in a lease is the gross investment in the lease discounted at the interest rate implicit in the lease.

The gross investment in the lease is the aggregate of:

- The minimum lease payments receivable under a finance lease; and
- Any unguaranteed residual value accruing to the company.

1. ACCOUNTING POLICIES – continued

Finance lease debtors
Initial direct costs (costs that are incremental and directly attributable to negotiating and arranging a lease) are included in the initial measurement of the finance lease receivable and reduce the income recognised over the lease term.

Finance income is recognised based on a pattern reflecting a constant periodic rate of return on the net investment outstanding in respect of the finance lease.

1.7 Other financial instruments

Financial instruments not considered to be Basic financial instruments (Other financial instruments)
Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in the Statement of Financial Activities except as follows:

- investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment; and
- hedging instruments in a designated hedging relationship shall be recognised as set out overleaf.

Derivative financial instruments and hedging
Within the Trust no derivative financial instruments exist however, the below represents those derivative financial instruments that occur in the Henmead group accounts and are included in the Trust accounts on consolidation.

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

Fair value hedges
Within the Trust no fair value hedges exist however, the below represents those fair value hedges that occur in the Henmead group accounts and are included in the Trust accounts on consolidation.

Where a derivative financial instrument is designated as a hedge of the variability in fair value of a recognised asset or liability or an unrecognised firm commitment, all changes in the fair value of the derivative are recognised immediately in the Statement of Financial Activities. The carrying value of the hedged item is adjusted by the change in fair value that is attributable to the risk being hedged (even if it is normally carried at cost or amortised cost) and any gains or losses on remeasurement are recognised immediately in the income statement (even if those gains would normally be recognised directly in reserves). If hedge accounting is discontinued and the hedged financial asset or liability has not been derecognised, any adjustments to the carrying amount of the hedged item are amortised into the Statement of Financial Activities using the effective interest method over the remaining life of the hedged item.

Cash flow hedges
Within the Trust no cash flow hedges exist however, the below represents those cash flow hedges that occur in the Henmead group accounts and are included in the Trust accounts on consolidation.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in other comprehensive income. Any ineffective portion of the hedge is recognised immediately in the Statement of Financial Activities.

For cash flow hedges, where the forecast transactions resulted in the recognition of a non-financial asset or non-financial liability, the hedging gain or loss recognised in other recognised losses is included in the initial cost or other carrying amount of the asset or liability. Alternatively when the hedged item is recognised in profit or loss the hedging gain or loss is reclassified to the Statement of Financial Activities. When a hedging instrument expires or is sold, terminated or exercised, or the entity discontinues designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

1. ACCOUNTING POLICIES - continued

1.8 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described below.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the Statement of Financial Activities on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- Freehold buildings	4% on cost
- Leasehold land and buildings	4% on cost
- Plant, machinery and scaffolding	15% on reducing balance
- Fixtures and fittings	15% on reducing balance
- Motor vehicles	25% on reducing balance
- Computer equipment	33% on cost

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.9 Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the entity.

At the acquisition date, the group recognises goodwill as:
- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

FRS 102.35 granted certain exemptions from the full requirements of FRS 102 in the transition period. The Group elected not to restate business combinations that took place prior to 1 January 2014. In respect of acquisitions prior to 1 January 2014, goodwill is included on the basis of its deemed cost, which represents the amount recorded under old UK GAAP. Intangible assets previously included in goodwill, are not recognised separately.

Goodwill in respect of the Joint Venture is amortised on a straight line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be 21 years, the remaining period of the concession period for the lease plus agreement.

1. ACCOUNTING POLICIES - continued

1.10 Intangible assets and goodwill

Within the Trust no goodwill exists however, the below represents goodwill that occurs in the Henmead group accounts.

Goodwill in respect of Joint Ventures is amortised on a straight line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill was estimated to be 21 years, the remaining period of the concession period for the lease plus agreement.

Intangible assets relate to computer software which is stated at cost less accumulated amortisation. Amortisation is charged to the profit and loss account on a straight line basis over the estimated useful life which is 10 years.

1.11 Stock and work in progress

Stock and work in progress is stated at the lower of cost and net realisable value. =Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

1.12 Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition

i. investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in the Statement of Financial Activities in the period that they arise; and

ii. no depreciation is provided in respect of investment properties applying the fair value model.

If a reliable measure is not available without undue cost or effort for an item of investment property, this item is thereafter accounted for as tangible fixed assets in accordance with section 17 until a reliable measure of fair value becomes available.

1.13 Construction contract debtors

Within the Trust accounts no construction contract debtors exist however, the below represents those construction contract debtors that occur in the subsidiary accounts.

Amounts recoverable on long term contracts represents the gross unbilled amount for contract work performed to date. They are measured at cost plus profit recognised to date (see the revenue accounting policy) less a provision for foreseeable losses and less progress billings. Variations are included in contract revenue when they are reliably measurable and it is probable that the customer will approve the variation itself and the revenue arising from the variation. Claims are included in contract revenue only when they are reliably measurable and negotiations have reached an advanced stage such that it is probable that the customer will accept the claim. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the entity's contract activities based on normal operating capacity.

Amounts recoverable on long term contracts are presented as part of trade debtors in the balance sheet. If payments received from customers exceed the income recognised, then the difference is presented as payments on account in the balance sheet.

1. ACCOUNTING POLICIES - continued

1.14 Impairment excluding stocks, investment properties and deferred tax assets

Financial assets (including trade and other debtors)
A financial asset not carried at fair value through the Statement of Financial Activities is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment, an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in the Statement of Financial Activities. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the Statement of Financial Activities.

Non-financial assets
Within the Trust accounts no non-financial assets exist however, the below represents those Non-financial assets that occur in the subsidiary accounts.

The carrying amounts of the entity's non-financial assets, other than investment property, stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire group of entities into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Financial Activities. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1. ACCOUNTING POLICIES - continued

1.15 Employee benefits

Defined contribution plans and other long term employee benefits
A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The amount charged to the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting period. Differences between contributions payable in the year and contributions actually paid are shown as either other creditors or prepayments in the balance sheet.

Defined benefit plans
Within the Trust no defined benefit plans exist however, the below represents those defined benefit plans that occur in the Henmead group accounts and included in the Trust accounts on consolidation.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The entity's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The entity determines the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dates approximating, to the terms of the entity's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in the Statement of Financial Activities.

Remeasurement of the net defined benefit liability is recognised in other comprehensive income in the period in which it occurs.

1.16 Provisions
A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Trust enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability in its individual financial statements until such time as it becomes probable that the company will be required to make a payment under the guarantee.

1. ACCOUNTING POLICIES - continued

1.17 Expenses

Operating lease
Within the Trust no operating leases exist however, the below represents operating leases that occur in the Henmead group accounts and are included in the Trust accounts on consolidation.

Payments (excluding costs for services and insurance) made under operating leases are recognised in the Statement of Financial Activities on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Finance lease
Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Interest receivable and Interest payable
Interest payable and similar charges include interest payable, finance charges and finance leases recognised in the Statement of Financial Activities using the effective interest method and unwinding of the discount on provisions that are recognised in the Statement of Financial Activities.

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains. Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the Statement of Financial Activities on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.18 Taxation
No taxation has been charged in respect of the Charity but the below relates to subsidiary entities which are subject to taxation.

Tax on the profit or loss for the year for trading subsidiaries comprises current and deferred tax. Tax is recognised in the statement of financial activities except to the extent that it relates to items recognised directly in equity or other gains and losses, in which case it is recognised directly in equity or other gains and losses.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, associates and joint ventures to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1. ACCOUNTING POLICIES - continued

1.19 Government grants

Grants are accounted for under the accruals model. Grants of a revenue nature are recognised in the profit and loss account in the same period as the related expenditure.

1.20 Accounting estimates and judgements

(a) Key sources of estimation uncertainty in applying the Group's accounting policies
Preparation of the financial statements requires the Trustees to make estimates. The items across the group statements where these estimates have been made include:

Contract provisions
The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty however there is inherent judgement in this assessment. Turnover for such contracts is stated by reference to the costs incurred as a proportion of the total anticipated contract costs, less amounts recognised in previous years. Where the outcome cannot be reasonably foreseen, revenue is recognised to the extent of costs expensed as incurred. Amounts recoverable on contracts represent the gross unbilled amount for contract work performed to date. Provision is made for any losses as soon as they are foreseen. The provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

(b) Critical accounting judgements in applying the Group's accounting policies
Certain critical accounting judgements (apart from those involving estimations included above) in applying the Group's accounting policies are described below.

Investment property
Investment properties are initially recognised at cost. Subsequent to initial recognition investment properties whose fair value can be measured reliably are held at fair value. Whilst the investment properties are valued by external experts, there are a number of judgements adopted in respect of items such as yield and lease renewals which affect the overall valuation.

Loans to joint ventures
Loans to joint ventures are initially recognised at cost. The loans are reviewed annually for impairment via a review of the joint ventures cash flow forecast. No impairment is recognised as future trading and cash flow forecasts demonstrate the joint ventures have sufficient funds to meet repay the loans as they fall due.

Investments in joint ventures
To the extent that the Henmead group have no legal or constructive obligation to fund the share of historic losses recognised in the joint ventures the value of the investment is restricted to the value of the investments made.

Life cycle provision

The Eric Wright Group has contractual obligations to maintain properties owned by LIFT entities and other third parties over the lives of those assets. The receipts are under contract however the timing and quantum of costs differs resulting in a provision on the balance sheet. Due to the duration of the life cycle contracts, there is uncertainty regarding the timing and extent of the costs required to maintain the assets and judgement is therefore required in order to assess sufficiency.

Trade debtors
Held within trade debtors are contract trade debtors that represent billed amounts for contract work performed to date. Contract trade debtors are regularly reported and monitored to ensure the full amount is recovered. Provision is made for doubtful debts.

1. ACCOUNTING POLICIES - continued

Accounting estimates and judgements – continued

Classification of financial instruments
Financial instruments are recognised initially at fair value. Subsequent to initial recognition financial instruments are measured at fair value with changes recognised in the Statement of Financial Activities. Where the financial instrument falls under the classification of hedging instruments and is in a designated hedging relationship the effective part of any gain or loss on the derivative financial instrument is recognised directly in other gains and losses. Any ineffective portion of the hedge is recognised immediately in the Statement of Financial Activities.

Defined benefit plan
The Group's net obligation in respect of defined benefit plans is calculated each year by a qualified Actuary and using the estimates set out in note 27. Full provision for the liability is recognised in the Group accounts.

2. DONATIONS AND LEGACIES

The grant income can be represented as:

	2020	2019
	£'000	£'000
Other	**-**	2

3. COMMERCIAL TRADE OPERATION INCOME

	2020	2019
	£'000	£'000
Group turnover	**204,611**	223,208
Other operating income – rental income	**5,668**	5,042
Other operating income – CJRS income	**755**	-
Share of profit in Joint Ventures	**2,160**	2,945
Share of loss in Associates	**(18)**	(23)
Profit on disposal of investment in associate	**1,424**	-
Interest receivable and similar income	**4,567**	5,050
	219,167	236,222

Commercial trade operational income relates to the Henmead Limited group of companies.

4. INCOME FROM CHARITABLE ACTIVITIES

		2020	2019
	Activity	£'000	£'000
Water Park fees received	Third party fee income paid to Water Park	**145**	381

5. OTHER INCOME

	2020	2019
	£'000	£'000
Local authority grants	**27**	-
CJRS grant income received	**147**	-
Course income	**-**	7
	174	7

6. INVESTMENT INCOME

	2020	2019
	£'000	£'000
Other fixed asset investment	**42**	60
Deposit account interest	**3**	7
	45	67

7. RAISING FUNDS

Other trading activities

	2020	2019
	£'000	£'000
Purchases	**1**	7

8. COMMERCIAL TRADE OPERATION EXPENDITURE

	2020	2019
	£'000	£'000
Cost of sales	**187,297**	208,428
Administrative expenses	**21,070**	19,643
Interest payable and similar expenses	**3,171**	3,249
Tax on profit on ordinary activities	**556**	429
Dividend to minority interest	**9**	10
	212,103	231,759

Commercial trade operational expenditure relates to the Henmead Limited group of companies.

9. CHARITABLE ACTIVITIES COSTS

	Direct costs	Grant funding of activities (See note 10)	Support costs (See note 11)	Totals
	£'000	£'000	£'000	£'000
Costs of operating Water Park	919	-	74	993
Grants to other Charitable bodies	-	334	-	334
	919	334	74	1,327

10. GRANTS PAYABLE

	2020	2019
	£'000	£'000
Grants to other Charitable bodies	**334**	904

	2020	2019
	£'000	£'000
Grants paid to institutions other than Water Park Limited	**334**	904
These grants are categorised into the following sectors:		
Charity of the Year	**-**	100
Community Voluntary Services	**90**	120
Education & Training	**86**	58
Carers	**43**	185
Health	**30**	110
Youth	**33**	87
Elderly	**25**	120
Child and Family Support	**10**	20
Other	**12**	49
Mental Health	**5**	55
	334	904

11. CHARITABLE SUPPORT COSTS

Support costs, included in the above, are as follows:
Governance costs

	2020	2019
	£'000	£'000
Recharge of administrative resources	**31**	29
Auditors' remuneration	**14**	13
Accountancy and legal fees	**28**	24
Trustees & sundry expenses	**1**	1
	74	67

Audit fees across the group are disclosed as:

	2020	2019
	£'000	£'000
Trust auditor (Fairhurst):		
Audit of Trust and Water Park subsidiary	**14**	13
Henmead Limited auditor:		
Audit of Henmead Limited financial statements	**6**	6
Audit of financial statements of subsidiaries of Henmead Limited	**121**	117
Taxation advisory services	**15**	7
	156	143

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits payable by the Trust for the year ended 31 December 2020 nor for the year ended 31 December 2019.

However, during the year two Trustees received remuneration and benefits for their roles as directors of two of the non-charitable trading subsidiaries (2019: one). One Trustee also received remuneration for supplying ad hoc professional advisory services to subsidiaries within the Henmead Limited group (2019: Nil).

Trustees' expenses

During the year Trustees were reimbursed a total of £201 (2019: £903) to cover out of pocket expenses.

Directors' remuneration and key management personnel

During the year Directors' and key management personnel of the Henmead group were compensated for their services as follows:

	2020	2019
	£'000	£'000
Directors' remuneration	**1,701**	1,476
Benefits in kind	**3**	24
Company contributions to money purchase pension plans	**28**	17
	1,732	1,517

Information regarding the highest paid director is as follows:

	2020	2019
	£'000	£'000
Remuneration	**863**	673
Benefits in kind	**23**	22
	886	695

Retirement benefits are accruing to one (2019: one) director under a defined contribution scheme.

The remuneration of Directors is disclosed above and the remuneration of key management personnel is set out below.

	2020	2019
	£'000	£'000
Key management & personnel remuneration	**1,022**	892

13. STAFF NUMBERS AND COSTS

The average number of persons employed by the Group (including Trustees) during the year, analysed by category, was as follows:

	2020	2019
	No.	No.
Direct labour	**310**	311
Administration	**406**	394
	716	705

The aggregate payroll costs of these persons were as follows:

	2020	2019
	£'000	£'000
Wages and salaries	**30,762**	29,766
Social security costs	**2,562**	2,462
Contributions to defined contribution plans	**2,870**	2,499
	36,194	34,727

14. TAXATION

During the year no tax was directly payable by the Trust. Taxation was paid by subsidiary entities and is disclosed in note 8.

15. INTANGIBLE ASSETS

Group	**Software**
	£'000
COST	
At 1 January 2020	-
Additions	1,066
Transfers from tangible assets	132
At 31 December 2020	1,198
AMORTISATION	
At 1 January 2020	-
Charge for year	17
At 31 December 2020	17
NET BOOK VALUE	
At 31 December 2020	**1,181**
At 31 December 2019	-

Trust
The trust does not hold any goodwill or intangible assets.

16. TANGIBLE FIXED ASSETS

Group	Freehold property £'000	Long leasehold £'000	Plant and machinery £'000
COST			
At 1 January 2020	3,586	598	4,723
Additions	-	-	101
Disposals	-	(83)	(2,345)
At 31 December 2020	3,586	515	2,479
DEPRECIATION			
At 1 January 2020	270	353	4,161
Charge for year	33	25	150
Eliminated on disposal	-	(83)	(2,244)
At 31 December 2020	303	295	2,067
NET BOOK VALUE			
At 31 December 2020	**3,283**	**220**	**412**
At 31 December 2019	3,316	245	562

	Fixtures and fittings £'000	Motor vehicles £'000	Totals £'000
COST			
At 1 January 2020	2,859	324	12,090
Additions	64	1	166
Transfers to intangible assets	(132)	-	(132)
Disposals	(612)	(25)	(3,065)
At 31 December 2020	2,179	300	9,059
DEPRECIATION			
At 1 January 2020	2,445	261	7,490
Charge for year	122	24	354
Eliminated on disposal	(634)	(26)	(2,987)
At 31 December 2020	1,933	259	4,857
NET BOOK VALUE			
At 31 December 2020	**246**	**41**	**4,202**
At 31 December 2019	414	63	4,600

16. TANGIBLE FIXED ASSETS - continued

Land and buildings

The net book value of land and buildings in tangible fixed assets and investment properties comprises:

	2020	2019
	£'000	£'000
Freehold	**49,033**	47,019
Long leasehold	**32,382**	30,569
Short leasehold	**220**	245
	81,635	77,833

Trust	**Fixtures and fittings**
	£'000
COST	
At 1 January 2020 and 31 December 2020	204
DEPRECIATION	
At 1 January 2020	177
Charge for year	3
At 31 December 2020	180
NET BOOK VALUE	
At 31 December 2020	**24**
At 31 December 2019	27

17. FIXED ASSET INVESTMENTS

Group	**Loans to Joint Ventures £'000**	**Interests in Joint Ventures £'000**	**Investment in associates £'000**	**Share portfolio £'000**	**Cash and settlements pending £'000**	**Total £'000**
Cost or market value						
At 1 January 2020	14,239	(32)	3,894	2,799	84	20,984
Additions	-	-	-	9	42	51
Disposals	-	-	-	-	(27)	(27)
New loans provided	1,161	-	-	-	-	1,161
Repayment of loans	(400)	-	(3,865)	-	-	(4,265)
Revaluation	-	-	-	235	-	235
Share of profit/(loss)	-	(126)	(31)	-	-	(157)
At 31 December 2020	15,000	(158)	(2)	3,043	99	17,982
Provisions						
At 1 January 2020	(10,715)	-	-	-	-	(10,715)
Movement in provision	375	-	-	-	-	375
At 31 December 2020	(10,340)	-	-	-	-	(10,340)
Net book value						
At 31 December 2020	**4,660**	**(158)**	**(2)**	**3,043**	**99**	**7,642**
At 31 December 2019	3,524	(32)	3,894	2,799	84	10,269

17. FIXED ASSET INVESTMENTS

Trust

	Share portfolio £'000	Unlisted investments £'000	Cash and settlements pending £'000	Totals £'000
MARKET VALUE				
At 1 January 2020	2,768	70,486	84	73,338
Additions	9	-	42	51
Disposals	-	-	(27)	(27)
Revaluations	242	2,665	-	2,907
At 31 December 2020	3,019	73,151	99	76,269
NET BOOK VALUE				
At 31 December 2020	**3,019**	**73,151**	**99**	**76,269**
At 31 December 2019	2,768	70,486	84	73,338

There were no investment assets outside the UK.

The Trust's investments in unlisted companies at the balance sheet date were:

Company	Percentage holding	Country of incorporation	Nominal value £
Henmead Limited	100	England	100
Water Park Limited	100	England	1

18. INVESTMENT PROPERTY

	2020 £'000 Group	2020 £'000 Trust
FAIR VALUE		
At 1 January 2020	**74,272**	**2,250**
Additions	**3,983**	**-**
Disposals	**(470)**	**-**
Net gain from fair value adjustments	**347**	**-**
At 31 December 2020	**78,132**	**2,250**
NET BOOK VALUE		
At 31 December 2020	**78,132**	**2,250**
At 31 December 2019	**74,272**	**2,250**

All investment properties are held at fair value. The Group assets were valued at 31 December 2020 at market value on the basis of existing use by Avison Young, Chartered Surveyors, an external independent valuer, having an appropriate recognised professional qualification and recent experience in the location and class of property being valued.

19. STOCKS

	Group 2020 £000	Group 2019 £000	**Trust 2020 £000**	Trust 2019 £000
Work in progress	**24,447**	25,516	**-**	-
	24,447	25,516	**-**	-

20. DEBTORS

	Group 2020 £000	Group 2019 £000	**Trust 2020 £000**	Trust 2019 £000
Amounts falling due within one year				
Finance lease debtor receivable	**2,015**	1,647	**-**	-
Trade debtors	**19,676**	28,787	**-**	-
Amounts recoverable on long term contracts	**13,377**	16,040	**-**	-
Amounts due from subsidiaries	**-**	-	**308**	162
Corporation tax	**-**	4	**-**	-
Prepayments	**4,263**	5,041	**6**	114
Deferred tax	**2,577**	2,064	**-**	-
Other debtors	**1,549**	1,490	**-**	-
	43,457	55,073	**314**	276
Due after more than one year				
Finance lease debtor receivable	**37,205**	39,334	**-**	-
	80,662	94,407	**314**	276

Amounts owed by group undertakings are non-interest bearing and repayable on demand.

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2020 £000	Group 2019 £000	**Trust 2020 £000**	Trust 2019 £000
Bank loans and overdraft	**2,093**	2,173	**-**	-
Payments on account	**4,082**	6,829	**-**	-
Trade creditors	**26,691**	30,869	**-**	-
Amounts due to subsidiaries	**-**	-	**90**	116
Taxation and social security	**4,308**	3,306	**-**	4
Other creditors	**11,180**	11,373	**-**	25
Accruals and deferred income	**8,181**	6,294	**147**	66
Director's loan accounts	**5,224**	5,604	**-**	-
	61,759	66,448	**237**	211

Included within directors loan accounts due within one year are loans due to RE Wright (Director). Amounts due to RE Wright are £5,224,000 (2019: £5,604,000). The maximum amount outstanding in the year to RE Wright was £5,604,000 (2019: £5,604,000).

Amounts owed are non-interest bearing and repayable on demand.

22. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2020 £000	Group 2019 £000	**Trust 2020 £000**	Trust 2019 £000
Bank loans	**56,909**	63,473	-	-
Deferred Income	**4,574**	4,137	-	-
Financial instruments	**10,910**	9,861	-	-
	72,393	77,471	-	-

Details on financial instruments are included in note 25.

23. INTEREST-BEARING LOANS AND BORROWING

This note provides information about the contractual terms of Henmead's interest-bearing loans and borrowings, which are measured at amortised cost.

	2020 £'000	2019 £'000
Loans and overdrafts can be analysed as falling due:		
In one year or less	**2,093**	2,173
Between one and two years	**17,351**	23,092
Between two and five years	**18,608**	17,927
In five years or more	**20,950**	22,454
	59,002	65,646

Secured creditors can be analysed as follows:

	2020 £'000	2019 £'000
Creditors falling due in less than one year		
Secured bank loans and overdraft	**2,093**	2,173

23. INTEREST-BEARING LOANS AND BORROWINGS – continued

	2020	2019
	£'000	£'000
Creditors falling due in more than one year		
Secured bank loans	**56,909**	63,473

Bank loans are secured on certain investment properties of Eric Wright Group Limited, a subsidiary of Henmead Limited, and other group companies.

All financial liabilities are denominated in UK pounds sterling. The financial liabilities carry floating rates of interest, based upon market rates prevailing at the time. Some of these financial liabilities have been swapped to a fixed interest rate.

Interest rate swaps, denominated in pounds sterling have been entered into to protect the maximum interest expense to which the Group is exposed. These swaps with an underlying debt value of £43,935,000 (2019: £32,079,000) enable the Group to swap floating rate liabilities on loans linked to LIBOR to a fixed rate liability. The period of these swap arrangements ranges from 4 to 17 years as at 31 December 2020. This capped the maximum interest payable by the Group to December 2020 at 5.87%.

The interest paid by the Group on its bank floating rate liabilities is at a rate of LIBOR plus a margin of 2% to 2.7% (2019: LIBOR plus 2% to 2.7%).

Terms and debt repayment schedule

Group	Currency	Nominal interest rate	Year of maturity	Repayment schedule	2020	2019
					£000	£000
Term loan 1	£ GBP	Libor + 2.7%	2024	Amortising	**13,600**	12,500
Revolving Credit Facility	£ GBP	Libor + 2%	2022	Revolving Credit Facility	**15,000**	21,000
Debenture loans	£ GBP	Libor + 2%	-	Subordinated debt	**67**	67
Term loan 2	£ GBP	Libor + 1%	2024	Amortising	**2,585**	3,164
Term loan 3	£ GBP	Libor + 0.97%	2030	Amortising	**5,350**	5,752
Term loan 4	£ GBP	Libor + 2.1%	2037	Amortising	**22,400**	23,163
					59,002	65,646

Following a refinance completed in December 2019, Term loan 1 is an amortising 5 year term loan with annual capital repayments of £400,000 and falling due for final repayment in December 2024.

The Revolving Credit Facility is drawn for a fixed period, agreed in advance with the bank. The RCF is either repaid at the end of the fixed period or the period extended. The RCF facility was refinanced in December 2017 for a 42 month period to June 2021 and further extended by 7 months to January 2022. Discussions regarding the refinance are currently progressing.

The debenture loan is unsecured and no redemption date has been set.

The term loans 2-4 are repaid bi-annually and full repayment will be made by the expiry date and relate to the Group's PFI arrangement.

24. OTHER FINANCIAL LIABILITIES

	Group 2020 £000	Group 2019 £000	**Trust 2020 £000**	Trust 2019 £000
Amounts falling due after more than one year				
Other financial liabilities designated as fair value through other comprehensive income	**10,910**	9,861	-	-
	10,910	9,861	-	-

25. FINANCIAL INSTRUMENTS

(a) Carrying amount of financial instruments

The carrying amounts of the financial assets and liabilities include:

	Notional amount £'000	**Maturity year**	**Fixed rate %**	**Fair value 2020 £'000**	Fair value 2019 £'000
Liabilities measured at amortised cost					
Interest rate swap 1	2,593	2024	5.865	**(343)**	(446)
Interest rate swap 2	5,309	2030	5.400	**(1,498)**	(1,506)
Interest rate swap 3	22,399	2037	4.400	**(8,890)**	(7,909)
Interest rate swap 4	9,000	2024	0.545	**(179)**	-
				(10,910)	(9,861)

(b) Financial instruments measured at fair value

Derivative financial instruments
The fair value of interest rate swap and interest rate caps is based on broker quotes. Those quotes are tested for reasonableness by comparing against prior year valuations, market interest rates and valuations for similar instruments at the measurement date.

(c) Hedge accounting

To hedge the potential volatility in future interest cash flows arising from movements in LIBOR, the Group has entered into swap agreements with RBS, the Bank of Tokyo Mitsubishi, Aviva and Co-operative Bank. These result in the Group paying the LIBOR floating interest rate and receiving and/or paying a fixed interest rate on the swaps. This effectively fixes the interest cost on the loans.

The derivatives are accounted for as a hedge of variable interest rate risks, in accordance with FRS 102. The cash flows arising from the interest rate swaps will continue until their maturity, coinciding with the repayment of the loans.

25. FINANCIAL INSTRUMENTS

The following table indicates the periods in which the cash flows associated with cash flow hedging instruments are expected to occur as required by FRS 102.29(a) for the cash flow hedge accounting models:

	2020						2019					
	Carrying amount £000	**Expected cash flows £000**	**1 year or less £000**	**1 to <2years £000**	**2 to <5years £000**	**5 years and over £000**	Carrying amount £000	Expected cash flows £000	1 year or less £000	1 to <2years £000	2 to <5years £000	5years and over £000
Interest rate swaps:												
Liabilities	**39,301**	**17,739**	**2,025**	**1,907**	**4,875**	**8,932**	32,075	19,605	2,075	1,975	5,173	10,382
	39,301	**17,739**	**2,025**	**1,907**	**4,875**	**8,932**	32,075	19,605	2,075	1,975	5,173	10,382

The change in fair value in the period is recognised in other comprehensive income as the swaps were 100% effective hedges.

(d) Fair values

The amounts for all financial assets and financial liabilities carried at fair value are as follows:

	Fair value	Fair value
	2020	2019
	£'000	£'000
Interest rate swaps	**(10,910)**	(9,861)

26. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are attributable to the following:

	Group	Group	**Trust**	Trust
Held in provisions for liabilities and charges	**2020**	2019	**2020**	2019
	£000	£000	**£000**	£000
At 1 January	**3,262**	2,915	-	-
Profit and loss account charge	**576**	313	-	-
Amount recognised in other comprehensive income	**(52)**	34	-	-
At 31 December	**3,786**	3,262	-	-

Held in debtors	**2020**	2019	**2020**	2019
	£000	£000	**£000**	£000
At 1 January	**(2,064)**	(1,994)	-	-
Profit and loss accounts (credit)/charge	**(99)**	79	-	-
Amount recognised in other losses	**(414)**	(149)	-	-
At 31 December	**(2,577)**	(2,064)	-	-

26. DEFERRED TAX ASSTES AND LIABILITIES - continued

Deferred tax liability	**Group 2020 £000**	Group 2019 £000	**Trust 2020 £000**	Trust 2019 £000
Accelerated capital allowances	**2,576**	2,241	-	-
Other timing differences	**(52)**	(29)	-	-
Short term timing differences financial instruments	**(350)**	(332)	-	-
Other short term timing differences	**1,612**	1,382	-	-
	3,786	3,262	-	-

Deferred tax asset	**2020 £000**	2019 £000	**2020 £000**	2019 £000
Accelerated capital allowances	**30**	-	-	-
Other timing differences	**59**	41	-	-
Short term timing differences relating to pension provision	**799**	679	-	-
Short term timing differences - financial instruments	**1,689**	1,344	-	-
	2,577	2,064	-	-

27. EMPLOYEE BENEFITS

Employee benefits

Henmead Limited operates a pension scheme providing benefits to a finite number of long serving retired employees based on an ex-gratia pension determined by the Chairman. The pension scheme has no assets and the pension scheme liability is recognised in full in the balance sheet and detailed below.

The information disclosed below is in respect of the whole of the plan and for which Henmead Limited is legally responsible.

Net pension liability	**2020 £'000**	2019 £'000
Defined benefit obligation	**4,104**	3,993
Plan assets	**-**	-
Net pension liability	**4,104**	3,993

Movements in present value of defined benefit obligation	**2020 £'000**	2019 £'000
At 1 January	**3,993**	3,902
Interest expense	**40**	68
Remeasurement: actuarial losses	**367**	319
Benefits paid	**(296)**	(296)
Net pension liability	**4,104**	3,993

27. EMPLOYEE BENEFITS - continued

Expense recognised in the SOFA	**2020 £'000**	2019 £'000
Net interest on net defined benefit liability	**40**	68
Total expense recognised in the SOFA	**40**	68

Principal actuarial assumptions (expressed as weighted averages) at the year-end were as follows:

	2020 %	2019 %
Discount rate	**1.00**	1.75

The last full actuarial valuation was performed on 31 December 2020. The amount for the current and four previous periods are as follows:

	2020 £000's	2019 £000's	2018 £000's	2017 £000's	2016 £000's
Present value of scheme liabilities	**(4,104)**	(3,993)	(3,902)	(3,999)	(4,162)
Experience adjustments on scheme liabilities	**(367)**	(319)	(97)	(34)	(409)

In valuing the liabilities of the pension fund at 31 December 2020, mortality assumptions have been made as indicated below.

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality table and include an allowance for future improvements in longevity.

The assumptions are equivalent to expending a 75 year old to live for a number of years as follows:

	2020 Years	2019 Years
Female	**14**	14
Male	**12**	12

Defined contribution plans

Group

The Group operates a number of defined contribution pension plans.

The total expense relating to these plans in the current year was £2,823,000 (2019: £2,446,000) and the amount due to the scheme at the year-end is £199,000 (2019: £222,000).

28. OTHER PROVSIONS

Other provisions represents a dilapidation provision for a property operated by the Trust.

Included within the Water Park accounts are provisions for lease dilapidation of £90,000 (2019: £116,000).

29. MOVEMENT IN FUNDS

	At 1/1/20 £'000	Net movement in funds £'000	At 31/12/20 £'000
Unrestricted funds			
General fund	75,746	3,734	79,480
Designated fund	2,268	-	2,268
Designated (Stoves)	2	-	2
Wright Lodge fit out costs	13	(1)	12
	78,029	3,733	81,762
TOTAL FUNDS	78,029	3,733	81,762

Net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
Unrestricted funds				
General fund	219,531	(213,430)	(2,367)	3,734
Wright Lodge fit out costs	-	(1)	-	(1)
	219,531	(213,431)	(2,367)	3,733
TOTAL FUNDS	219,531	(213,431)	(2,367)	3,733

Comparatives for movement in funds

	At 1/1/19 £'000	Net movement in funds £'000	At 31/12/19 £'000
Unrestricted Funds			
General fund	73,737	2,099	75,746
Designated fund	2,268	-	2,268
Designated (Stoves)	2	-	2
Wright Lodge fit out costs	15	(2)	13
	76,022	2,007	78,029
TOTAL FUNDS	76,022	2,007	78,029

29. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
Unrestricted funds				
General fund	236,678	(233,716)	954	2,009
Wright Lodge fit out costs	-	(2)	-	(2)
	236,678	(233,718)	954	2,007
TOTAL FUNDS	236,678	(233,718)	954	2,007

The designated fund reflects the value of the property, which has been designated for the use of the Water Park, and the grant received for the purchase of certain fixed assets, which is being released in line with the depreciation of the fixed assets purchased.

During 2010 a donation was received towards the costs of Stoves. This was transferred to a separate designated fund. Depreciation of the Stoves in Water Park Limited accounts are covered by a grant paid out of the Stoves Designated Fund.

During 2012 a donation was received towards the fit out costs of the Wright Lodge Building. This was transferred to a separate designated fund. Depreciation of the fit out costs in Water Park Limited accounts are covered by a grant paid out of the Fit out Designated Fund.

30. LEASING AGREEMENTS

Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Group 2020 £000	Group 2019 £000	**Trust 2020 £000**	Trust 2019 £000
Less than one year	**1,107**	1,033	-	-
Between one and five years	**2,465**	2,397	-	-
More than five years	**22,526**	23,038	-	-
	26,098	26,468	-	-

During the year £1,017,000 was recognised as an expense in the profit and loss account of the Henmead Limited group in respect of operating leases (2019: £1,068,000).

30. LEASING AGREEMENTS -continued

Leases as lessor

The investment properties held by Henmead Limited are let under operating leases. The future minimum lease payments receivable under non-cancellable leases are as follows:

	Group 2020 £000	Group 2019 £000	**Trust 2020 £000**	Trust 2019 £000
Less than one year	**5,442**	5,247	**-**	-
Between one and five years	**16,645**	14,042	**-**	-
More than five years	**45,159**	51,645	**-**	-
	67,246	70,934	**-**	-

There are no material leasing arrangements requiring disclosure.

Finance leases

Leases as lessor

The Group has finance leases in connection with its PFI arrangements. The minimum lease receivable payment receivable at the end of the reporting period are as follows:

	Minimum lease receivable 2020 £000	**Interest 2020 £000**	**Principal 2020 £000**	Minimum lease receivable 2019 £000	Interest 2019 £000	Principal 2019 £000
Within one year	**5,016**	**3,001**	**2,015**	4,789	3,142	1,647
Greater than one year and less than two years	**4,656**	**2,857**	**1,799**	5,041	2,994	2,047
Greater than two years and less than five years	**14,768**	**7,585**	**7,183**	14,374	8,085	6,289
Greater than five years	**41,280**	**13,057**	**28,223**	46,336	15,339	30,997
	65,720	**26,500**	**39,220**	70,540	29,560	40,980

31. COMMITMENTS

The Group and the Trust have no contractual commitments to purchase tangible fixed assets at either the current or prior year-end.

In respect of interests in Jointly Controlled Entities, the Group and the Trust have no commitment to incur capital expenditure at either the current or prior year end.

32. CONTINGENT LIABILITIES

There is a cross guarantee in place in relation to the Group's Revolving Credit Facility between a number of Group companies. This is supported by a first legal charge over certain Group investment properties.

33. RELATED PARTY DISCLOSURES

Related parties

The following is the identity of related parties with which the company has transacted.

Company/entity	Portion of ordinary shares held	
Subsidiary undertakings		
Eric Wright Group Limited*	100%	
Eric Wright Construction Limited	100%	
Eric Wright Partnerships	100%	
Eric Wright Civil Engineering Limited	100%	
Maple Grove Developments Limited	100%	
Eric Wright Investments Limited	100%	Dormant
Maple Grove Investments Limited	100%	
Stonecross Enterprises Limited	100%	
Elltech Limited	95%	
Sceptre Nursery Limited	100%	
Eric Wright Commercial Limited	100%	Dormant
Skemtech Limited	95%	
Fleetwood PPP Limited	100%	
Cobco 494 Limited	100%	
Cobco 450 Limited	100%	
Eric Wright FM Limited	100%	
Eric Wright Homes Limited	100%	
Maple Grove Residential Limited	100%	
Applethwaite Limited	100%	
Eric Wright Developments	100%	Dormant
Eric Wright Water Limited	100%	
EWGN Blackpool PSP Limited	80%	Dormant
Blackpool LEP Limited	64%	
Highfield PFI Holdco Limited	72%	Dormant
Highfield PFI SPV Limited	72%	
Samlesbury Developments Limited	100%	Dormant
Joint ventures		
Foundation for Life Limited	60%	
Leigh Holdco Limited	60%	Dormant
Leigh Fundco Limited	60%	
Pacific Shelf 888 Limited	60%	
Pemberton Care Limited	60%	
Pinco 2033 Limited	60%	
Pinco 2206 Limited	60%	
Pimco 2401 Limited	60%	
FFL Capital Projects Limited	60%	Dormant
East Lancashire Building Partnership Limited	60%	
Blackburn Holdco Limited	60%	Dormant
Blackburn Fundco Limited	60%	
Rossendale LIFT Limited	60%	
Pinco 2223 Limited	60%	
Pimco 2297 Limited	60%	
Inhoco 2952 Limited	60%	
Pimco 2451 Limited	60%	
East Lancashire Capital Projects Limited	60%	
Brahm LIFT Limited	60%	

33. RELATED PARTY DISCLOSURES – continued

Company/entity	Portion of ordinary shares held	
Subsidiary undertakings		
Brahm Intermediate Holdco 1 Limited	60%	Dormant
Brahm Fundco 1 Limited	60%	
Brahm Intermediate Holdco 2 Limited	60%	Dormant
Brahm Fundco 2 Limited	60%	
Bolton Holdco 1 Limited	60%	Dormant
Bolton Fundco 1 Limited	60%	
Brahm Capital Projects Limited	60%	Dormant
Booths Partnership Limited	50%	
Regional and Local Education Partnership Limited	26%	Dormant
Tri link 140 Holdings 1 LLP	50%	
Tri Link 140 Holdings 2 LLP	50%	
Winsford Holdings 1 LLP	50%	
Winsford Holdings 2 LLP	50%	
Holbeck Homes (Cartmel) Limited	50%	
Glenholme Wrightcare Limited	50%	
Glenholme Healthcare (Bispham Gardens) Limited	50%	

Associates

Deeside Regeneration Limited	24.9%

All companies are registered and operate in England and Wales and principal activities are either building, contracting, civil engineering or property development. The registered addresses of the related parties are available in the accounts of each of the entities, which are available from Companies House.

* Eric Wright Charitable Trust directly owns the share capital of this entity. All remaining share capital, apart from Water Park Limited (which is directly owned) is owned indirectly through subsidiary undertakings.

Related party transactions

	Henmead shareholding	Goods and services supplied		Balance outstanding at the end of the year	
		2020	2019	**2020**	2019
		£000's	£000's	**£000's**	£000's
During the year the Group supplied construction services to the following companies in which the Group has an interest. These services were provided by Eric Wright Construction Limited.					
Blackpool Local Education Partnership Limited	64%	**2,994**	2,395	**-**	384
East Lancashire Capital Projects Limited	60%	**-**	278	-	-
During the year the Group supplied hard FM services to the following companies in which Eric Wright Group Limited has an interest. These services were provided by Eric Wright FM Limited.					
Blackpool Local Education Partnership Limited	64%	**94**	126	**-**	1
Blackburn Fundco Limited	60%	**276**	298	-	-
Bolton Fundco 1 Limited	60%	**321**	307	-	-
Brahm Fundco 1 Limited	60%	**654**	639	-	-
Brahm Fundco 2 Limited	60%	**483**	453	-	-
Highfield PFI SPV Limited	72%	**403**	393	-	-
Inhoco 2952 Limited	60%	**911**	1,215	-	-
Leigh Fundco Limited	60%	**269**	262	-	-
Pacific Shelf 888 Limited	60%	**35**	34	-	-
Pemberton Care Limited	60%	**110**	107	-	37
Pimco 2297 Limited	60%	**98**	70	-	-
Pimco 2401 Limited	60%	**145**	142	-	-

33. RELATED PARTY DISCLOSURES – continued

Related party transactions

	Henmead shareholding	Goods and services supplied		Balance outstanding at the end of the year	
		2020	2019	**2020**	2019
		£000's	£000's	**£000's**	£000's
Pimco 2451 Limited	60%	**404**	482	**-**	-
Pinco 2033 Limited	60%	**474**	464	**-**	-
Pinco 2206 Limited	60%	**286**	278	**-**	-
Pinco 2223 Limited	60%	**555**	747	**-**	-
Rossendale Lift Limited	60%	**404**	395	**-**	-

During the year the Group provided management services to the following companies in which Eric Wright Group Limited has an interest. These services were provided by Eric Wright Partnerships Limited.

Blackburn Fundco Limited	60%	**20**	19	-	-
Blackpool Local Education Partnership Limited	64%	**26**	59	-	-
Bolton Fundco 1 Limited	60%	**72**	71	-	-
Brahm Fundco 1 Limited	60%	**125**	122	-	-
Brahm Fundco 2 Limited	60%	**97**	95	-	-
Brahm Lift Limited	60%	**94**	244	-	-
Inhoco 2952 Limited	60%	**132**	129	-	-
Leigh Fundco Limited	60%	**49**	48	-	-
Pacific Shelf Limited	60%	**9**	9	-	-
Pemberton Care Limited	60%	**30**	30	-	-
Pimco 2297 Limited	60%	**9**	9	-	-
Pimco 2401 Limited	60%	**46**	45	-	-
Pimco 2451 Limited	60%	**78**	76	-	-
Pinco 2033 Limited	60%	**108**	105	-	-
Pinco 2206 Limited	60%	**88**	86	-	-
Pinco 2223 Limited	60%	**81**	79	-	-
Rossendale Lift Limited	60%	**25**	25	-	-
East Lancashire Building Partnership Limited	60%	**15**	228	-	-
Foundation for Life Limited	60%	**28**	167	-	-
Glenhome Wrightcare Ltd	50%	**79**	39	-	-

34. ULTIMATE CONTROLLING PARTY

The Trust is under the control of the board of Trustees.