

Charity Registration No. 1106123

THE HAMILTON DAVIES TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021

THE HAMILTON DAVIES TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	N McArthur MBE G Chisnall F Cocker
Charity number	1106123
Principal office	Hamilton Davies House 117c Liverpool Road Cadishead Manchester M44 5BG
Auditor	Champion Accountants LLP 1 Worsley Court High Street Worsley Manchester M28 3NJ
Bankers	National Westminster Bank Plc 11 Spring Gardens Manchester M60 2DB

THE HAMILTON DAVIES TRUST

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THE HAMILTON DAVIES TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2021

The Trustees present their report and financial statements for the year ended 5 April 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charities Act 2011 and "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)" (as amended for accounting periods commencing from 1 January 2016)

Structure, governance and management

The Hamilton Davies Trust (HDT) is a non-exempt charity governed by a Declaration of Trust dated 29 June 2004. All HDT investments were managed by Brown Shipley during the year and have been reviewed with regards to the associated risks, and recommendations have been made, and are being implemented, to reduce those risks where appropriate. The Trustees have due regard to the guidance published by the Charities Commission regarding public benefit.

The three Trustees for HDT are responsible for the investment and distribution of funds. All grant applications are presented to the Trustees at regular meetings. Due regard to the aims and objectives of the charity is considered by the Trustees each time a grant of £500 or more is received and grants are awarded only once approval has been obtained from the Trustees' meeting.

During the year, HDT employed a team of six members including Mandy Eccles (Marketing Assistant), David Taylor (Operations support), Sharon Piggin (Admin Assistant), Alison Blackwell (Finance and Admin Assistant), Tony Prescott (Operations Manager) and Sarah Murray (Marketing Assistant).

HDT also continued to receive support from two Consultants: Julie Thompson to provide General Manager type services and regeneration project advice, and Mandy Coleman to provide financial advice.

Objectives and activities

HDT was established in 2004 and although there are no restrictions in terms of how funds can be gifted, funds tend to be gifted to support projects with a main area of focus in one or more of the following categories: Regeneration, Community, Education, Recreation and Youth, within Irlam & Cadishead and Rixton-with-Glazebrook.

Achievements and performance

It is a privilege to present the sixteenth annual report for HDT, in what has been a very challenging year.

Whilst the Covid-19 pandemic was a global event with far-reaching consequences, the direct impact on local communities has been devastating, including in the areas of Salford served by HDT. The Trustees and HDT team agreed that the best interests of the local area would be served by continuing HDT operations albeit on a reduced scale. Two members of staff were furloughed during the year and the remaining team worked from home for most of this period.

From March 2020, Mandy Coleman stepped back from the General Manager's role but continued to manage the finances. Julie Thompson expanded her role within HDT to take on this position.

HDT continues to be funded through our investment portfolio. The value of the portfolio was dramatically affected in the early part of the year, however this improved significantly towards the end of the financial year in line with the global financial situation.

Adjusting to the needs of the local community meant working in a new and different way but through technology we were able to continue with on-going projects and begin new partnerships for the future.

The IC Art programme continued with the installation of new pieces for residents to explore during daily exercise and we were able to support the Lamppost Poppy Appeal once again. In addition, new Christmas Lights were installed, and the Elf Trailer once again delighted the local community at a particularly difficult time before Christmas.

THE HAMILTON DAVIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

The long periods of lockdown and restrictions on activities meant many community groups and organisations have been unable to function for the entire year, leading to significantly reduced fund-raising opportunities. This subsequently led to a reduction on the number and scale of grant applications received by HDT.

During the year, the cost of our charitable activities was £243,141 which included 31 grants totalling £195,583 to local community groups and projects in the areas of Regeneration, Community, Education and Recreation.

Whilst the financial commitment to the local community has been much reduced in the year, we were able to facilitate various projects within the community through staff resource. The biggest project was part of the national effort to provide more protective items for frontline workers. Partnering with Salford Royal Infirmary, local businesses, and an army of willing volunteers, over 35,000 protective visors were produced, 15,000 bags were labelled, and hundreds of sets of scrub suits were made.

HDT continues to support the local community through grants under four work-streams:

Regeneration

We have continued to support various regeneration initiatives through direct grants and HDT-led projects including Heritage Board installation, vintage shop sign display and landscaping and gardening to keep the area around Irlam Station looking pristine for people to enjoy on their daily exercise.

The Irlam Station Signal Box is nearly complete and ready for public viewings once restrictions allow. Station Park continued its transformation from overgrown embankment to outdoor heritage and art display park with the addition of a second hobbit-style house and various heritage-inspired art installations, completed in partnership with local schools.

We have continued to support the Manchester Technology Trust. This charitable organisation continues to drive the development of information technology and digital industries across Greater Manchester.

HDT were able to support two large-scale environmental projects in the year. Partnering with the Lancashire Wildlife Trust, Salford, and Wigan Councils, we were pleased to contribute to the £67k third-party funding required to release a £670k grant from Biffa towards the Mossland Connect project. We also partnered with the Lancashire Wildlife Trust and Peel Holdings to facilitate the Little Woollen Moss project.

We have also begun work to drive the Chat Moss Heritage Group, who's aim is to showcase the heritage and leisure opportunities available across the wide expanse of Chat Moss.

Community, Recreation and Education

The number of community grant requests received during the year was considerably reduced as a direct result of the Covid restrictions.

However, we continued to support some large community initiatives including partnerships with:

- Manchester United Foundation to deliver health and sports programmes within our local schools despite the constant changes to delivery arrangements

- Rotary Club of Irlam to assist with their In Bloom project which continued on a lesser-scale in the year

- Schools to assist with Covid support, including laptop provision to enable home-learning, rent contributions for early-year providers and facility improvements

- Integrated Youth Support Services (IYSS) to facilitate a youth engagement program through cycling

We were also pleased to support various community groups who were able to continue throughout the pandemic, including:

- National affiliation fees for a Brownie group

- Funding lunches for a school holiday Play-Streets scheme

- Activity packs for families with disabled children and local care-home residents

- Rixton-with-Glazebrook Community Hall refurbishment project

THE HAMILTON DAVIES TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

Plans for future periods

As we look ahead to a post-Covid future we will be looking for even more opportunities to collaborate with organisations, groups and individuals to continue to deliver even more for the community.

We will continue to embrace and build on the willingness of community volunteers to enhance our volunteer programme.

We will be available to support community groups as they begin to re-start, whether through funding grants or administration support. By promoting match funding, we will be able to leverage value from other funders.

With increased partnership working, access to additional funding streams will be of paramount importance for us to deliver some of the projects we will be working on, some of which include:

- Mentoring and post-16 education support for high school leavers
- Continuing to produce urban art for the area
- Driving the Chat Moss Heritage project
- Continuing to apply for grants and source additional funding to help deliver even more to the community
- Encouraging even more volunteering to take place, to again increase the amount we can deliver for the community

Finally, in this year in particular, we want to extend our heartfelt gratitude once again to everyone who has supported HDT over the last 12 months. Special thanks go to all our staff, volunteers and partners as the charity could not continue to deliver without them.

Financial review

The Trustees have followed the objectives of the Trust by awarding 31 grants to the value of £243,139 to local community groups.

The Trustees report was approved by the Board of Trustees.



N McArthur MBE
Trustee

Dated: 6 September 2021

THE HAMILTON DAVIES TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 5 APRIL 2021

The Trustees are responsible for preparing the Trustees' Report 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 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 of the charity for that year.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and 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.

THE HAMILTON DAVIES TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE HAMILTON DAVIES TRUST

Opinion

We have audited the financial statements of The Hamilton Davies Trust (the 'charity') for the year ended 5 April 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charity's affairs as at 5 April 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other Information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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.

THE HAMILTON DAVIES TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE HAMILTON DAVIES TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they 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 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 the Act and relevant regulations made or having effect thereunder.

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

As part of our planning process:

- We enquired of management the systems and controls the trust has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The trust did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the trust. We determined that the following were most relevant to the financial statements: Companies Act 2006, FRS 102 & guidance given by the Charity Commission for England & Wales.
- We considered the incentives and opportunities that exist in the trust, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the trust, together with the discussions held with the trust at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

THE HAMILTON DAVIES TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE HAMILTON DAVIES TRUST

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

There are inherent limitations in the audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. 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.

Mark Turner FCA (Senior Statutory Auditor)
for and on behalf of **Champion Accountants LLP**

6 September 2021

Chartered Accountants
Statutory Auditor

1 Worsley Court
High Street
Worsley
Manchester
M28 3NJ

THE HAMILTON DAVIES TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE HAMILTON DAVIES TRUST

Champion Accountants LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

THE HAMILTON DAVIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 5 APRIL 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	3	35,747	-	35,747	549,533	-	549,533
Charitable activities	4	21,992	-	21,992	51,944	-	51,944
Investments	5	56,649	-	56,649	116,285	-	116,285
Other income	6	96,215	-	96,215	-	-	-
Total income		210,603	-	210,603	717,762	-	717,762
<u>Expenditure on:</u>							
Charitable activities	7	454,170	1,886	456,056	1,229,602	2,812	1,232,414
Net gains/(losses) on investments	12	952,677	-	952,677	(748,146)	-	(748,146)
Net movement in funds		709,110	(1,886)	707,224	(1,259,986)	(2,812)	(1,262,798)
Fund balances at 6 April 2020		2,537,146	36,097	2,573,243	3,797,132	38,909	3,836,041
Fund balances at 5 April 2021		3,246,256	34,211	3,280,467	2,537,146	36,097	2,573,243

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE HAMILTON DAVIES TRUST

BALANCE SHEET

AS AT 5 APRIL 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	13		4,494		713
Investments	14		3,627,463		2,848,062
			<u>3,631,957</u>		<u>2,848,775</u>
Current assets					
Stocks	15	345		345	
Debtors	17	59,569		62,635	
Cash at bank and in hand		47,684		125,819	
		<u>107,598</u>		<u>188,799</u>	
Creditors: amounts falling due within one year	19	(459,088)		(464,331)	
Net current liabilities			(351,490)		(275,532)
Total assets less current liabilities			<u>3,280,467</u>		<u>2,573,243</u>
Income funds					
Restricted funds			34,211		36,097
Unrestricted funds			3,246,256		2,537,146
			<u>3,280,467</u>		<u>2,573,243</u>

The financial statements were approved by the Trustees on 6 September 2021


N McArthur MBE
Trustee

THE HAMILTON DAVIES TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 5 APRIL 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash absorbed by operations	23		(311,072)		(612,176)
Investing activities					
Purchase of tangible fixed assets		(4,261)		-	
Purchase of investments		(210,257)		(566,197)	
Proceeds on disposal of investments		383,533		633,441	
Dividends, interest and rents from investments		56,649		116,285	
Net cash generated from investing activities			225,664		183,529
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(85,408)		(428,647)
Cash and cash equivalents at beginning of year			(325,996)		102,651
Cash and cash equivalents at end of year			(411,404)		(325,996)
Relating to:					
Cash at bank and in hand			47,684		125,819
Short term deposits included in current asset investments			-		-
Bank overdrafts included in creditors payable within one year			(459,088)		(451,815)

THE HAMILTON DAVIES TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2021

1 Accounting policies

Charity Information

The Hamilton Davies Trust is a unincorporated charity.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE HAMILTON DAVIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	20% Straight line
Fixtures and fittings	33% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

THE HAMILTON DAVIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

1 Accounting policies

(Continued)

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

THE HAMILTON DAVIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

1 Accounting policies

(Continued)

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Donations and gifts	35,747	549,533
Donations and gifts		
Donations	35,747	34,233
Gifts	-	515,300
	35,747	549,533

4 Charitable activities

	2021	2020
	£	£
Sales within charitable activities	-	128
Charitable rental income	21,992	51,816
	21,992	51,944

THE HAMILTON DAVIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

5 Investments

	2021	2020
	£	£
Income from listed investments	56,614	115,784
Interest receivable	35	501
	<u>56,649</u>	<u>116,285</u>

6 Other income

	Unrestricted funds	Total
	2021	2020
	£	£
Coronavirus Job Retention Scheme	<u>96,215</u>	<u>-</u>

7 Charitable activities

	Grant funding	Share of governance costs	Total 2021	Total 2020
	£	£	£	£
Grant funding of activities (see note 8)	230,625	-	230,625	908,404
Share of governance costs (see note 9)	-	225,431	225,431	324,010
	<u>230,625</u>	<u>225,431</u>	<u>456,056</u>	<u>1,232,414</u>

8 Grants payable

	2021	2020
	£	£
Grants to institutions:		
Other	228,739	905,592
Grants to individuals	1,886	2,812
	<u>230,625</u>	<u>908,404</u>

THE HAMILTON DAVIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

9 Support costs

	Governance costs £	2021 £	2020 £
Staff costs	100,723	100,723	164,148
Depreciation	480	480	1,576
Audit fees	4,800	4,800	4,800
Legal and professional	7,345	7,345	11,151
General office	9,435	9,435	15,674
Subcontractors	56,785	56,785	76,847
Interest paid	7,273	7,273	9,370
Premises costs	38,590	38,590	40,444
	<u>225,431</u>	<u>225,431</u>	<u>324,010</u>
Analysed between Charitable activities	<u>225,431</u>	<u>225,431</u>	<u>324,010</u>

Governance costs includes payments to the auditors of £4,800 (£4,800) for audit fees.

10 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

11 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	<u>6</u>	<u>7</u>
Employment costs	2021 £	2020 £
Wages and salaries	89,143	143,313
Social security costs	1,347	7,150
Other pension costs	10,233	13,685
	<u>100,723</u>	<u>164,148</u>

THE HAMILTON DAVIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

12 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Revaluation of Investments	667,991	(749,660)
Gain/(loss) on sale of investments	284,686	1,514
	<u>952,677</u>	<u>(748,146)</u>

13 Tangible fixed assets

	Plant and equipment	Fixtures and fittings	Total
	£	£	£
Cost			
At 6 April 2020	33,133	14,105	47,238
Additions	3,969	292	4,261
Disposals	(1,581)	-	(1,581)
At 5 April 2021	<u>35,521</u>	<u>14,397</u>	<u>49,918</u>
Depreciation and impairment			
At 6 April 2020	32,421	14,104	46,525
Depreciation charged in the year	428	52	480
Eliminated in respect of disposals	(1,581)	-	(1,581)
At 5 April 2021	<u>31,268</u>	<u>14,156</u>	<u>45,424</u>
Carrying amount			
At 5 April 2021	<u>4,253</u>	<u>241</u>	<u>4,494</u>
At 5 April 2020	<u>712</u>	<u>1</u>	<u>713</u>

THE HAMILTON DAVIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

14 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
Cost or valuation			
At 6 April 2020	2,810,542	37,520	2,848,062
Additions	210,257	1,094,829	1,305,086
Valuation changes	667,991	-	667,991
Disposals	(1,193,676)	-	(1,193,676)
At 5 April 2021	2,495,114	1,132,349	3,627,463
Carrying amount			
At 05 April 2021	2,495,114	1,132,349	3,627,463
At 05 April 2020	2,810,542	37,520	2,848,062

15 Stocks

	2021 £	2020 £
Raw materials and consumables	345	345

16 Financial instruments

	2021 £	2020 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	2,495,114	2,810,542

17 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	55,700	59,000
Prepayments and accrued income	3,869	3,635
	59,569	62,635

THE HAMILTON DAVIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

18 Loans and overdrafts

	2021 £	2020 £
Bank overdrafts	459,088	451,815
Payable within one year	459,088	451,815

The short-term loans are secured by fixed charges over the charities listed investments.

19 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank overdrafts	18	459,088	451,815
Trade creditors		-	12,516
		459,088	464,331

20 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 5 April 2021 are represented by:			
Tangible assets	4,494	-	4,494
Investments	3,627,463	-	3,627,463
Current assets/(liabilities)	(351,490)	-	(351,490)
	3,280,467	-	3,280,467

21 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	37,460	37,460
Between two and five years	190,422	190,422
	227,882	227,882

THE HAMILTON DAVIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2021

21 Operating lease commitments

(Continued)

Operating leases represent rent, utility charges and service charges payable to North Cheshire Developments Limited, a company of which N McArthur MBE is a director and sole shareholder.

22 Related party transactions

During the year N McArthur MBE, a member of the board of Trustees, gifted £nil (2020: £515,300) to the trust.

N McArthur MBE is the sole shareholder and a director of North Cheshire Developments Limited.

During the year, the trust was charged rent of £37,460 (2020: £37,460) by North Cheshire Developments Limited.

Also during the year, the trust purchased goods and services of £105,132 (2020: £248,324) from North Cheshire Developments Limited. These costs are included in the charities activities. At the year end the trust owed North Cheshire Developments £Nil (2020: £12,516)

N McArthur MBE is the sole shareholder and a director of Thurnall Taverns Limited.

During the year, the trust charged rent of £21,992 (2020: £51,816) to Thurnall Taverns Limited. Also during the year, the trust purchased goods and services of £117 (2020: £6,667) from Thurnall Taverns Limited.

23 Cash generated from operations	2021 £	2020 £
Surplus/(deficit) for the year	707,224	(1,262,798)
Adjustments for:		
Investment income recognised in statement of financial activities	(56,649)	(116,285)
Gain on disposal of investments	(284,686)	(1,514)
Fair value gains and losses on investments	(667,991)	749,660
Depreciation and impairment of tangible fixed assets	480	1,576
Movements in working capital:		
(Increase)/decrease in stocks	-	98
Decrease in debtors	3,066	4,571
(Decrease)/increase in creditors	(12,516)	12,516
Cash absorbed by operations	(311,072)	(612,176)