

SIR EDWARD HEATH CHARITABLE FOUNDATION
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

Registered Charity No: 1112773

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FLETCHER & PARTNERS
CHARTERED ACCOUNTANTS
SALISBURY

SIR EDWARD HEATH CHARITABLE FOUNDATION
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Trustees:

Mr L Seligman
Mr J Elder
Mr E Bickham
Mr P Batey CMG OBE (Chairman)
Colonel G MacDougall
Mr A Teasdale
Mr M McManus
The Lady Susan of Mar
Lord MacGregor of Pulham Market OBE
Mr L Austin
Mr N Carmichael

Officers

Manager Mr I Smith MRICS

Address:

Arundells
59 The Close
Salisbury
SP1 2EN

Advisers

Auditors: Fletcher & Partners, Crown Chambers, Bridge Street, Salisbury SP1 2LZ

Bankers: NatWest, 48 Blue Boar Row, Salisbury, SP1 1DF

Solicitors: Wilsons Solicitors LLP, Alexandra House, St Johns Street, Salisbury, SP1 2SB

Registered Number

Charity No: 1112773

SIR EDWARD HEATH CHARITABLE FOUNDATION
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Introduction by Peter Batey CMG OBE, Chairman

Recovery from Covid continued in 2021 and into 2022. Visitor figures have shown a sustained increase. Income from the events the Foundation organises in both the house and garden at Arundells has grown satisfactorily too. Sadly, the number of third party events at Arundells and the number of group tours, also key revenue streams, remain affected by Covid and we look forward to improvement in 2023.

Recent events at Arundells have included musical recitals, concerts, theatrical performances, sailing talks and speaker meetings covering the history of the second half of the twentieth century, and current and international affairs. Speakers have included Trevor Philips and Minette Batters, the President of the National Farmers' Union.

I am delighted to report that the sixth Edward Heath Annual Lecture, originally scheduled for June 2020 to mark the fiftieth anniversary of the Heath government, finally took place on 30th June 2022 and was given by Ken Clarke, ably supported by Robin Butler, the former Cabinet Secretary, and Professor Vernon Bogdanor, with discussion facilitated by Gyles Brandreth. Held in Salisbury Cathedral, the lecture was attended by 500 people, with over a hundred dining at Arundells afterwards.

The Edward Heath University Lectures series, created by the Foundation as part of its mission to educate young people, holds lectures at universities across Britain. Following lectures at Nottingham, Newcastle and Edinburgh universities, given by Michael Heseltine, Chris Patten and Malcolm Rifkind respectively, a second lecture at Nottingham will be held in 2023, with the Rt Hon the Lord Willetts (former Minister for Universities and Science) as the speaker and with Ken Clarke in the chair.

We are also delighted that Carl Bildt, the former Swedish Prime Minister, has kindly agreed to deliver the first Edward Heath University Lecture at Oxford in 2023. This will be held at the Bodleian Library, with Chris Patten, the Chancellor of the University of Oxford in the chair.

Meanwhile in Salisbury, the Foundation continues to step up its outreach in Wiltshire and neighbouring counties, focusing especially on disadvantaged sectors of the community. This work has been generously sponsored by the National Heritage Lottery Fund, the support of which we gratefully acknowledge. It is expected to be of significant long term benefit to Arundells and the Foundation, as well as to the local community.

The completion of the renovation of the stables greatly improves the ability of the Foundation to mount good quality exhibitions. We were delighted to welcome Martin Jennings, the celebrated sculptor, whose subjects have included HM Queen Elizabeth the Queen Mother, George Orwell, Philip Larkin, John Betjeman and Stanley Baldwin - as well as Ted Heath - to Arundells for a successful exhibition. We hope this will enable us to attract other exhibitors of a similar calibre in the future.

Governing Document

The Foundation was established under the will of the Right Honourable Sir Edward Heath KG MBE proved in the High Court of Justice on 18th January 2006, as amended by a Deed of Amendment dated 1st February 2007.

Appointment, Training and Induction of Trustees

The Trustees have the power to appoint new Trustees and when making any appointments the Trustees have regard to the requirement for special skills and the needs of the foundation. New Trustees are made aware of their legal obligations under charity law and the aims and objectives of the charity.

Organisation

The Trustees administer the charity and have regular meetings, which cover matters relating to the administration and managing of the trust.

Risk Management

The charity has appraised its risks. The key headings under which risks fall have been identified, and work continues to be done to ensure that adequate controls exist to mitigate the effect of those identified risks.

SIR EDWARD HEATH CHARITABLE FOUNDATION
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Objects and activities of the Charity

The principal activities of the Charity are:

The preservation for the public benefit of Arundells and its associated amenities as a building of both special architectural and historical interest being the home of Sir Edward Heath.

The preservation of the furniture, pictures, and memorabilia ordinarily kept at Arundells and the administration, maintenance and preservation of his papers relating to his life and career.

The advancement of education through access to Arundells and study and research of his papers.

The advancement of education to the public in the artistic appreciation of music.

Such other purposes which are exclusively charitable according to the law of England and Wales.

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Review of activities in 2021

Covid restrictions continued to have a significant impact – and particularly upon the opening of Arundells to visitors – during the first half of the year. It was clear that despite the development and roll out of an effective programme of vaccinations, restrictions upon gatherings and social activities would continue for some time to come.

In accordance with Government protocols, Arundells was able to reopen to visitors on the 21st May 2021. Procedures to try to reduce the risk of cross infection remained in place, including the observance of social distancing, a limitation upon numbers, and the wearing of face coverings within the house.

Visitor numbers from May to the end of October were extremely encouraging. Many people chose to enjoy both holidays and shorter weekend breaks within the UK, rather than attempt the strict requirements surrounding overseas travel.

The house opened for an additional period of long weekends in the run up to Christmas; fully decorated and with themed Christmas trees in each of the showrooms. Numbers did not match those seen for the first Christmas opening in 2019, despite the house looking beautifully festive. Many people undoubtedly took the opportunity to travel to spend time at unrestricted seasonal family gatherings for the first time since 2019.

Group guided tour bookings were also much lower than in previous years; and an understandable response to the infection related risks of traveling within the confined spaces of a coach. It is hoped that numbers will lift in 2022, but it may well take somewhat longer for confidence to be restored within this area of the business.

Covid uncertainties again prevented the planning and delivery of as full and diverse an events programme as intended. Although it proved possible to stage a small number of events within the open air space of the garden – and be able to maintain social distancing requirements – it remained a very frustrating year.

The following productions were staged:

- *Garden Theatre*
- *The Great Gatsby*
- *The Tempest*
- *The Wind in the Willows*

Music:

- *An evening of Jazz Music – with James Emmett's Ragtime Revellers*
- *Sounds of the Caribbean – performed by a West Indian Steel Band*
- *Two piano concerts – given by Clara Rodriguez and Dominic Seligman and performed upon Sir Edward's Steinway piano*

A collaborative 'Perfect Pairings' Evening involved a link with a locally based catering company and local artisan wine supplier to deliver a wine and food tasting evening. Popular and enjoyed by all who attended, events of this type are something to build upon and develop in the future.

A range of workshops were successfully staged within the exhibition room, with topics that included jewellery, felt, willow and silver crafts, and Christmas wreath making.

Corporate and private hospitality income again fell as a result of Covid related concerns, although two birthday celebrations, a Christening, and a business meeting were successfully hosted. It is hoped that this thread will re-emerge as an important source of income in 2022, although it may well follow a more gradual pathway; akin to the regeneration of group guided tour bookings.

SIR EDWARD HEATH CHARITABLE FOUNDATION
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021
(CONTINUED)

Review of activities in 2021

Sadly, the exhibition of sculptures by Martin Jennings – the major exhibition by this well-known sculptor, scheduled to take place in 2021 and already postponed from 2020 – had to be delayed until 2022. Although extremely frustrating (both for Martin Jennings and the Foundation) the delay will permit full use of the newly extended and refurbished exhibition room, with additional space and improved lighting. The exhibition will include the bust of Sir Edward – sculpted by Martin Jennings in 1992 – which stands within the Drawing Room at Arundells.

The eagerly anticipated Edward Heath Annual Lecture, the principal event in the Foundation's calendar and scheduled to be given in Salisbury Cathedral by the Rt Hon Lord (Ken) Clarke of Nottingham CH KC during the summer of 2021, had to again be postponed. Lord Clarke has kindly agreed to deliver his lecture at the end of June 2022.

The Edward Heath University Lecture Programme commenced in 2021, with the first event being held at Nottingham University. The Rt Hon the Lord Heseltine CH delivered this a lecture titled 'Edward Heath's achievement in securing UK membership of the European Union and the consequences of Brexit'. The event was Chaired by the Rt Hon the Lord Clarke of Nottingham CH KC and very well received by all who attended. A lively question and answer session followed, and it was encouraging to see so many students from the university present; not only within the audience, but actively engaged with the discussion that followed.

Plans for 2022

To re-open the house and garden in mid-March and to hopefully see visitor numbers continue to build upon the positive interest and uplift experienced in 2021.

To finalise and submit an application to the National Heritage Lottery Fund for financial support for the Foundation's 'Arundells – Fit for the Future' project. If successful, the project will focus upon local community engagement and enrichment opportunities and the establishment of firm links with a range of local schools and community groups who may currently view Arundells as being of little value or benefit to them.

This will include military veterans, dementia and memory loss support groups, those with additional physical and mental health needs, and music or art workshops for young people from a wide range of age groups and schools.

The development of a community garden would lie at the heart of the project, as well as a consultancy review of the organisational structure of the Foundation. The project would also examine the staffing structure, and the strengths and weaknesses of the current modus operandi. Marketing improvements, the identification of new audience evaluation and development pathways, and how the collection can be more appropriately (and successfully) interpreted and displayed for presentation to visitors / made available for research and teaching both on site and by remote access. Recommendations for change would flow from this exercise, the key objective being to ensure that the Foundation is as resilient and well placed as it can be to meet future objectives.

The remaining one third of the former stable block, until recently leased by Scottish and Southern Electricity and used as a local substation, will be refurbished and seamlessly incorporated as an extension to the current exhibition space at the beginning of 2022. The additional area will not only provide greater exhibition space, but allow more seating capacity for lectures and talks, the development of craft and similar workshops, and an onsite classroom for visiting school pupils.

A full event programme will be reactivated in 2022 – with a wide mix and range of lectures and talks, theatrical productions and concerts.

The trustees and staff move into 2022 with great optimism for the future. Much good work is being completed and this will continue apace.

SIR EDWARD HEATH CHARITABLE FOUNDATION
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2021
(CONTINUED)

Financial Review

Visitor income increased to a total of £40,642 (2020: £4,860). The charity received donations of £38,087 (2020: £90,854), £1,686 of which were for restricted purposes (2020: £1,894). The charity also generated income of £19,607 (2020: £1,838) from running other events. The charity made use of all available government grants, which totalled £33,371 (2020: £59,531). A successful insurance claim was made against the fall in income associated with the pandemic, £87,236 of this claim is shown as income for 2021 (2020: £58,206).

Expenditure increased to £197,110 compared to £164,043 in 2020.

Overall there was a net increase in funds of £28,457 compared with £58,924 in 2020.

The charity has £736 in restricted funds at the year end, which relate to grants provided with a defined purpose. Unrestricted funds increased to £4,184,146. The fixed assets total £4,140,661 of which the vast majority amounting to £4,111,655 consist of Arundells and its contents. This therefore leaves £117,127 of unrestricted funds for the charity's activities, including the maintenance of Arundells.

Investment Powers and Policy

The charity has the power to invest in any way the Trustees see fit. The charity's investments are, however, minimal.

Reserves Policy

The Trustees' policy is that the charity's free reserves (that is, excluding Arundells and its contents) should not be allowed to fall to a level which would imperil an orderly closure of the charity's operations.

TRUSTEES RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The law applicable to charities requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing the financial statements giving a true and fair view, the Trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any 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 accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which will enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Report) Regulations and the provisions of the trust deed. The Trustees are 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 the Trustees and signed on their behalf

Peter Batey CMG OBE- Chairman

Date:

20.5.2022

P. G. Batey

INDEPENDENT AUDITORS' REPORT TO
THE TRUSTEES OF THE SIR EDWARD HEATH CHARITABLE FOUNDATION

Opinion

We have audited the financial statements of The Sir Edward Heath Charitable Foundation for the year ended 31 December 2021, which comprise of the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 charity's affairs as at 31 December 2021, and of the incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with 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 FRCs 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 directors' 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 trustees are responsible for the other information. The other information comprises information included in the annual report, other than the financial statements and our auditor's report 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 misstatements of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO
THE TRUSTEES OF THE SIR EDWARD HEATH CHARITABLE FOUNDATION

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees annual 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:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibility Statement, 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 controls as the trustees determine is necessary to enable the preparation of the 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.

Auditors responsibilities for the audit of the financial statements

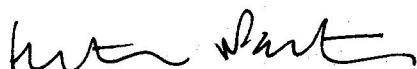
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 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:

We ensured the engagement team collectively had appropriate competence and capabilities to recognise non-compliance with applicable laws and regulations. We identified the key laws applicable to the charity as those established in the Charity's constitution and wider Charity law, employment law and Health and Safety regulations. We assessed the susceptibility of the charity's accounts to material mis-statement by making enquiries of management and reviewing internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the FRC website (www.frc.org.uk/auditorsresponsibilities) This description forms part of our auditors 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Fletcher & Partners
Chartered Accountants and Statutory Auditors.

Crown Chambers, Bridge Street,
Salisbury, SP1 2LZ

31 October 2022

Fletcher & Partners is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

SIR EDWARD HEATH CHARITABLE FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted Funds 2021	Restricted Funds 2021	Total Funds 2021	Total Funds 2020
INCOME FROM:					
Donations	2	36,401	1,686	38,087	90,854
Investments	3	-	-	-	48
Charitable activities					
Visitor income		40,642	-	40,642	4,860
Visitor merchandise income		3,960	-	3,960	40
Events		19,607	-	19,607	1,838
Sundry income		76	-	76	6,416
Other trading activities					
Private lettings		2,200	-	2,200	1,800
Other Income					
Government grants		33,371	-	33,371	59,531
Insurance claims		87,236	-	87,236	58,206
TOTAL INCOME		<u>£ 223,493</u>	<u>£ 1,686</u>	<u>£ 225,179</u>	<u>£ 223,593</u>
EXPENDITURE ON:					
Raising funds	4a	-	-	-	7,362
Charitable activities	4b	196,160	950	197,110	156,681
TOTAL EXPENDITURE		<u>£ 196,160</u>	<u>£ 950</u>	<u>£ 197,110</u>	<u>£ 164,043</u>
Net gain / (losses) on investments		388	-	388	(626)
Net income/(expenditure)		27,721	736	28,457	58,924
Transfers between funds		-	-	-	-
NET MOVEMENT IN FUNDS		27,721	736	28,457	58,924
Total funds brought forward		<u>£ 4,156,425</u>	<u>£ -</u>	<u>£ 4,156,425</u>	<u>£ 4,097,501</u>
Total funds carried forward		<u>£ 4,184,146</u>	<u>£ 736</u>	<u>£ 4,184,882</u>	<u>£ 4,156,425</u>

The notes on pages 10 to 15 form part of these accounts

SIR EDWARD HEATH CHARITABLE FOUNDATION
BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021	2020
FIXED ASSETS:			
Tangible Assets	7	27,180	30,575
Heritage Assets	8	4,111,718	4,115,294
Investments	9	1,763	1,375
		<u>4,140,661</u>	<u>4,147,244</u>
CURRENT ASSETS:			
Debtors	10	96,451	77,226
Cash at bank and in hand		<u>33,335</u>	<u>14,549</u>
		129,786	91,775
LIABILITIES:			
CREDITORS: Amounts falling due within one year	11	<u>12,659</u>	<u>9,688</u>
NET CURRENT ASSETS		<u>117,127</u>	<u>82,087</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,257,788	4,229,331
NON-CURRENT LIABILITIES			
Loan	12	<u>72,906</u>	<u>72,906</u>
TOTAL NET ASSETS		<u>£4,184,882</u>	<u>£4,156,425</u>
THE FUNDS OF THE CHARITY:			
Unrestricted funds - General Fund		4,184,146	4,156,425
Restricted funds		<u>736</u>	<u>-</u>
TOTAL CHARITY FUNDS		<u>£4,184,882</u>	<u>£4,156,425</u>

Signed on behalf of the Board of Trustees

Peter Batey CMG OBE- Chairman

Approved by the Trustees:

20.8.2022

P. G. B.

The notes on pages 10 to 15 form part of these accounts

SIR EDWARD HEATH CHARITABLE FOUNDATION
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2021

1. PRINCIPAL ACCOUNTING POLICIES

a. Basis of Accounting

The financial statements of the Charity are prepared in accordance with the 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) published on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011. No adjustments were required as a result of the transition to these standards. The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

The charity constitutes a public benefit entity as defined by FRS 102.

There are no material uncertainties about the charity's ability to continue as a going concern, see note 15 for further information.

b. Fund Structure

Unrestricted funds comprise those funds which the trustees are free to use in accordance with the charitable objects.

Restricted funds are funds which can only be used for particular purposes within the objects of the Trust.

Restrictions arise either when they are specified by the donor or when funds are raised for a specific purpose.

c. Income

Voluntary income including donations, gifts and legacies and grants that provide core funding or on general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Visitor income is recognised at the date the visit takes place. Deposits received in advance are treated as deferred income in the accounts.

Investment income is recognised on a receivable basis.

d. Expenditure

Expenditure is accounted for on an accruals basis.

Charitable activities include all expenditure associated with the maintenance of Arundells, and includes governance costs.

Governance costs comprise the costs of audit, legal advice and compliance with constitutional and statutory requirements.

e. Tangible Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Individual assets costing £500 or more are capitalised and depreciation is calculated to write off the costs over their expected useful economic lives as follows:

Fixtures and Fittings

10% straight line basis

f. Heritage Assets

No depreciation is provided on the assets acquired through the original gift from the Estate of Sir Edward Heath.

It is the policy of the Foundation to carry out annually a full repair and maintenance programme such that the residual values of these assets, based on prices prevailing at the date of acquisition or the 2005 probate value, as applicable, are at least equal to their carrying value. Significant repairs that will reoccur on a cyclical basis will be capitalised and depreciated over their expected lifetime. Carrying values are reviewed annually and provision made, if necessary, for any impairment in value. The Trustees have no intention to acquire or dispose of any heritage assets in the near future.

g. Investments

Fixed asset investments are held to generate income. Investments are stated at market value (mid market price) as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Other recognised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between the sale proceeds and opening market value (or purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later).

SIR EDWARD HEATH CHARITABLE FOUNDATION
NOTES TO THE ACCOUNTS (CONTINUED)
AS AT 31 DECEMBER 2021

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

i. Debtors

Debtors are measured at the amounts the charity anticipates it will receive from a debt or the amount it has paid in advance for goods or services.

j. Cash at bank and in hand

Cash at bank and in hand includes cash and cash on deposit.

k. Liabilities

Liabilities are measured at the amounts the charity anticipates it will pay to settle a debt or the amount it has received as an advance payment for goods or services it must provide.

l. Financial Instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. They are initially recognised at transaction value and subsequently measured at their settlement value.

m. Pension Costs

The charity operates a defined contribution scheme for its employees. Contributions are charged in the accounts as incurred.

2. INCOME FROM DONATIONS

	Unrestricted 2021	Restricted 2021	Total 2021	Total 2020
Income from donations	36,401	950	37,351	90,854
Income from sponsorship	-	-	-	-
Income from grants	-	736	736	-
Membership from Friends	-	-	-	-
	<u>£ 36,401</u>	<u>£ 1,686</u>	<u>£ 38,087</u>	<u>£ 90,854</u>
	<u>2020</u>	<u>2020</u>	<u>2020</u>	<u>2019</u>
Income from donations	88,960	1,894	90,854	165,139
Income from sponsorship	-	-	-	-
Income from grants	-	-	-	-
Membership from Friends	-	-	-	295
	<u>£ 88,960</u>	<u>£ 1,894</u>	<u>£ 90,854</u>	<u>£ 165,434</u>

3. INCOME FROM INVESTMENTS

	2021	2021	2021	2020
Income from listed investments	-	-	-	48
	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 48</u>

All investment income is unrestricted.

4. EXPENDITURE ON

a. RAISING FUNDS

	2021	2021	2021	2020
Fundraising consultancy expenditure	-	-	-	7,362
Fundraising trading expenditure	-	-	-	-
	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 7,362</u>

SIR EDWARD HEATH CHARITABLE FOUNDATION
NOTES TO THE ACCOUNTS (CONTINUED)
AS AT 31 DECEMBER 2021

4. EXPENDITURE ON (CONTINUED)
b. CHARITABLE ACTIVITIES

	2021	2021	2021	2020
Maintenance and running of Arundells	125,575	950	126,525	111,269
Event costs	14,253	-	14,253	281
Governance costs (Note 5)	5,618	-	5,618	4,795
Expenditure relating to the opening of Arundells to the public	50,714	-	50,714	40,336
	<u>£ 196,160</u>	<u>£ 950</u>	<u>£ 197,110</u>	<u>£ 156,681</u>
	2020	2020	2020	2019
Maintenance and running of Arundells	96,240	15,029	111,269	128,325
Event costs	281	-	281	20,075
Governance costs	4,795	-	4,795	11,663
Expenditure relating to the opening of Arundells to the public	40,336	-	40,336	39,788
	<u>£ 141,652</u>	<u>£ 15,029</u>	<u>£ 156,681</u>	<u>£ 199,851</u>

5. GOVERNANCE COSTS

	Unrestricted	Restricted	Total	Total
	2021	2021	2021	2020
Auditors' remuneration : audit	2,000	-	2,000	2,000
: for other services	2,151	-	2,151	2,121
Legal fees	754	-	754	-
Trustees' expenses	713	-	713	674
	<u>£ 5,618</u>	<u>£ -</u>	<u>£ 5,618</u>	<u>£ 4,795</u>

Trustees received no remuneration or benefits (2020: £nil). No trustees (2020: Nil) were reimbursed any (2020: £Nil) travelling expenses or any other expenses incurred on the charity's behalf. Trustee indemnity insurance of £713 (2020: £674) was paid during the year.

In common with many other businesses of our size and nature we use our auditors to assist with the preparation of the financial statements and some tax compliance.

6. STAFF COSTS

	2021	2020
Salaries and wages	103,222	86,556
Social security costs	3,199	2,256
Pension costs	3,542	3,417
	<u>£109,963</u>	<u>£92,229</u>

The staff costs are wholly chargeable to charitable expenditure. No employee had emoluments (not including employer's National Insurance Contributions or employer's pension contributions) in excess of £60,000 (2020 - nil).

The total remuneration paid to key management personnel (including employer's National Insurance Contributions or employer's pension contributions) in the year was £51,330 (2020: £47,596).

The average headcount of employees, including part time, analysed by function, were:

	2021	2020
Administration, curating and maintenance	4	4
Guides and reception staff	5	5
	<u>9</u>	<u>9</u>

SIR EDWARD HEATH CHARITABLE FOUNDATION
NOTES TO THE ACCOUNTS (CONTINUED)
AS AT 31 DECEMBER 2021

7. TANGIBLE FIXED ASSETS

		Fixtures & Fittings	Total
COST			
At 1 January 2021		44,752	44,752
Additions		1,200	1,200
Disposals		-	-
Transfer		-	-
		<hr/>	<hr/>
At 31 December 2021		£ 45,952	£ 45,952
		<hr/>	<hr/>
DEPRECIATION			
At 1 January 2021		14,177	14,177
Charge for the year		4,595	4,595
Disposals		-	-
		<hr/>	<hr/>
At 31 December 2021		£ 18,772	£ 18,772
		<hr/>	<hr/>
NET BOOK VALUE			
At 31 December 2021		£ 27,180	£ 27,180
		<hr/>	<hr/>
At 31 December 2020		£ 30,575	£ 30,575
		<hr/>	<hr/>

8. HERITAGE ASSETS

	Freehold House	House Contents	Depreciable Maintenance	Total
COST				
At 1 January 2021	3,054,252	983,490	80,226	4,117,968
Additions	-	-	1,899	1,899
Disposals	-	-	-	-
Transfer	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	£ 3,054,252	£ 983,490	£ 82,125	£ 4,119,867
	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION				
At 1 January 2021	-	-	2,674	2,674
Charge for the year	-	-	5,475	5,475
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	-	-	8,149	8,149
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE				
At 31 December 2021	£ 3,054,252	£ 983,490	£ 73,976	£ 4,111,718
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2020	£ 3,054,252	£ 983,490	£ 77,552	£ 4,115,294
	<hr/>	<hr/>	<hr/>	<hr/>

No capital expenditure has been contracted for at 31 December 2021.

These assets comprise Arundells and its contents which the trustees consider constitute heritage assets within the definition of FRS 102 section 34. Arundells, which is located in Salisbury Cathedral Close, was acquired by and lived in by Sir Edward Heath during the latter part of his life; and the contents consist of the furniture, works of art and other articles acquired by Sir Edward over his lifetime.

9. FIXED ASSET INVESTMENTS

Listed investments

Market value at 1 January 2021	1,375
Net gain on revaluation	388
	<hr/>
Market value at 31 December 2021	£1,763
	<hr/>

SIR EDWARD HEATH CHARITABLE FOUNDATION
NOTES TO THE ACCOUNTS (CONTINUED)
AS AT 31 DECEMBER 2021

10. DEBTORS

	2021	2020
Other debtors	79,922	66,956
Prepayments and accrued income	16,529	10,270
	<u>£96,451</u>	<u>£77,226</u>

11. CREDITORS: Amounts falling due within one year

	2021	2020
Accruals	10,309	8,149
Other creditors	2,350	1,539
	<u>£12,659</u>	<u>£9,688</u>

12. NON-CURRENT LIABILITIES:

	2021	2020
Loans	72,906	72,906
	<u>£72,906</u>	<u>72,906</u>

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

<u>2021</u>	Unrestricted Fund	Restricted Fund	Total Funds
Fixed assets	4,140,661	-	4,140,661
Cash at bank and in hand	32,599	736	33,335
Other current assets	96,451	-	96,451
Creditors amounts falling due within one year	(12,659)	-	(12,659)
Creditors amounts falling due beyond one year	(72,906)	-	(72,906)
	<u>£4,184,146</u>	<u>736</u>	<u>£4,184,882</u>
 <u>2020</u>			
<i>Fixed assets</i>	4,147,244	-	4,147,244
<i>Cash at bank and in hand</i>	14,549	-	14,549
<i>Other current assets</i>	77,226	-	77,226
<i>Creditors amounts falling due within one year</i>	(9,688)	-	(9,688)
<i>Creditors amounts falling due beyond one year</i>	(72,906)	-	(72,906)
	<u>£4,156,425</u>	<u>-</u>	<u>£4,156,425</u>

14. RELATED PARTY TRANSACTIONS

Donations (excluding gift aid) of £34,314 (2020: 72,232) are owed to the generosity of the trustees.

As at 31 December 2021 the charity owed P. Batey £72,906 (2020: £72,906), being a loan supplied to fund required repairs and redecorations to the exterior of Arundells.

SIR EDWARD HEATH CHARITABLE FOUNDATION
NOTES TO THE ACCOUNTS (CONTINUED)
AS AT 31 DECEMBER 2021

15. PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds 2020	Restricted Funds 2020	Total Funds 2020	Total Funds 2019
INCOME FROM:					
Donations		88,960	1,894	90,854	165,434
Investments	3	48	-	48	160
Charitable activities					
Visitor income		4,860	-	4,860	42,339
Visitor merchandise income		40	-	40	975
Events		1,838	-	1,838	31,052
Sundry income		6,416	-	6,416	21
Other trading activities					
Private lettings		1,800	-	1,800	9,553
Other Income					
Government grants		59,531	-	59,531	-
Insurance claims		58,206	-	58,206	-
TOTAL INCOME		<u>£ 221,699</u>	<u>£ 1,894</u>	<u>£ 223,593</u>	<u>£ 249,534</u>
EXPENDITURE ON:					
Raising funds	4a	7,362	-	7,362	37,536
Charitable activities	4b	141,652	15,029	156,681	199,851
TOTAL EXPENDITURE		<u>£ 149,014</u>	<u>£ 15,029</u>	<u>£ 164,043</u>	<u>£ 237,387</u>
Net losses on investments		(626)	-	(626)	(475)
Net income/(expenditure)		72,059	(13,135)	58,924	11,672
Transfers between funds		-	-	-	-
NET MOVEMENT IN FUNDS		72,059	(13,135)	58,924	11,672
Total funds brought forward		<u>£ 4,084,366</u>	<u>£ 13,135</u>	<u>£ 4,097,501</u>	<u>£ 4,085,829</u>
Total funds carried forward		<u>£ 4,156,425</u>	<u>£ -</u>	<u>£ 4,156,425</u>	<u>£ 4,097,501</u>