THE HEATHCOAT TRUST

England & Wales · Charity number 203367

Details

Status	Registered
Legal form	Trust
Registered	1962-09-22
Register	View on the Charity Commission register

Contact

Address	The Heathcoat Trust The Factory Westexe Tiverton Devon EX16 5LL
Phone	01884244296
Email	heathcoattrust@heathcoat.co.uk

Activities

Objects: 1. FINANCIAL RELIEF FOR SICKNESS, OLD AGE OR POVERTY IN AREAS DEFINED, PARTICULARLY FOR STAFF, WORKPEOPLE AND THEIR RELATIVES AND DEPENDANTS OF THE COMPANIES. (2) TRAINING AND EDUCATION OF CHILDREN IN AREA DEFINED, PARTICULARLY OF STAFF AND AS IN TRUST DEED WORKPEOPLE OF THE COMPANIES. (3) HOSPITAL ETC WHICH MAY BENEFIT STAFF, WORKPEOPLE OF THE COMPANIES AND THEIR DEPENDANTS AND RELATIVES. (FUR FURTHER DETAILS SEE CLAUSE 2 OF SCHEME).

Activities: for the relief of financial hardshipfor education and trainingfor building or making grants to health institutions andin certain circumstances for making contributions to any charity but mostly in Tiverton, Devon, its neighbourhood or in places where the firms John Heathcoat & Co Ltd and Lowman Manufacturing Co Ltd and their subsidiaries carry on business

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Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies

Geography

- Cornwall
- Devon

Finances

Period end	Income	Expenditure	Assets	Employees
2025-04-05	£954,438	£972,942	£27,293,306	1
2024-04-05	£930,891	£871,308	£28,429,002	1
2023-04-05	£953,651	£875,182	£27,425,408	1
2022-04-05	£878,700	£806,257	£29,270,894	1
2021-04-05	£683,481	£775,335	£27,586,269	1

Trustees

Name	Role	Appointed
Andrew James Bell		2025-04-24
Carol Ann Onley-Gregson		2023-11-21
JOHN STANLEY SMITH		
Jack Daniel Rayner		2025-06-18
MARK DRYSDALE		
Tatiana Rose Heathcoat Amory		2023-07-11

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THE HEATHCOAT TRUST

England & Wales - Charity number 203367

Accounts

Charity registration number: 203367

The Heathcoat Trust

Annual Report and Financial Statements

for the Year Ended 5 April 2025

WESTCOTTS

CHARTERED ACCOUNTANTS
& BUSINESS ADVISERS

The Heathcoat Trust

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The Heathcoat Trust

Reference and Administrative Details

Trustees	Mr John Smith Mrs Tatiana Heathcoat Amory Ms Johanne Cherry (resigned 18/06/2025) Mr Jack Rayner (appointed 18/06/2025) Mr Mark Drysdale Mrs Susan Westlake (deceased 01/12/2024) Mr Andrew Bell (appointed 25/04/2025) Mrs Carol Onley-Gregson
Secretary to the Trustees	Mrs Helen Isaac
Charity Registration Number	203367
Principal Office	The Factory West Exe Tiverton Devon EX16 5LL
Independent Examiner	Westcotts (SW) LLP 47 Boutport Street Barnstaple Devon EX31 1SQ
Solicitors	Ashfords LLP Ashford House Genadier Road Exeter Devon EX1 3LH
Bankers	NatWest Exeter 59 High Street Exeter Devon EX4 3DL
Investment Brokers	Rathbone Investment Management 30 Gresham Street London EC2V 7QN RBC Brewin Dolphin 12 Smithfield Street London EC1A 9BD

The Heathcoat Trust

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 5 April 2025.

Objectives and activities

Objects and aims

The Trust Deed, as amended by the Order dated 13 April 1999, provides that the charity's income shall be applied:

(a) for the relief of financial hardship,
(b) for education and training,
(c) for building or making grants to health institutions, and
(d) in certain circumstances for making contributions to any charity but mostly in Tiverton in Devon, its neighbourhood or in places where the firms John Heathcoat and Company Limited and Lowman Manufacturing Company Limited and their subsidiaries carry on business.
(e) in so far as it cannot be applied towards the objects specified in the Trust Deed, it may be applied for any charitable purpose.

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Grants

The charity invites local institutions and individuals to make applications for grants for suitable projects.

Achievements and performance

The objective of the Charity is to make financial contributions to people and institutions in fulfilment of the provisions of the Trust Deed as above.

To further this objective, the trustees meet regularly to consider applications for grants. The trust is not designed to set up initiatives of its own, thus the trustees rely on applications to which they respond.

In the year under review, grants of £801,054 (2024 - £717,376) were distributed. The accumulated unrestricted income fund decreased by £116,485 after taking into account realised and unrealised gains/(losses).

At the year-end total unrestricted funds were £5,542,219 (2024 - £5,658,704).

The trustees consider that making grants to pensioners and local organisations in this way satisfies the Charity Commission's guidance on public benefit.

Financial review

The financial statements comply with current statutory requirement and the charity's governing documents. The charity's donations are made annually with conditional and unconditional commitments continuing into succeeding years. The charity's investments are professionally managed and give the charity a strong financial base.

Trustees' Report (continued)

Policy on reserves

The reserve fund represents unrestricted funds arising from historic unspent income. Currently the trustees are looking to respond to as many incoming qualifying applications as possible, expending all income received during the year as well as amounts from the reserve fund if necessary. The balance is held towards the possibility of funding a large project within the Trust's objectives in the future. The trustees consider the reserve fund to be sufficient for the time being but as unrealised gains and losses are reflected through this fund its value will fluctuate with market conditions at each year end.

The endowment fund is a restricted fund under terms of the trust deed and must be held permanently. Its purpose is to ensure a suitable income stream to finance the ongoing work of the charity within its charitable objectives. It is represented by unlisted investments as set out in Note 12, and a portfolio of investments that are managed by the investment managers. The investment managers have been given discretionary power to acquire and dispose of investments within the policy set by the trustees.

Investment policy and objectives

The constitution authorises the trustees to make and hold investments using the funds of the charity. Investments are held with Rathbone Investment Management at 30 Gresham Street, London, EC2V 7QN, and Brewin Dolphin at 12 Smithfield Street, London, EC1A 9LA, who are the charity's investment managers.

The policy is to adopt a medium risk investment strategy with a balance between capital growth and income which should not be below 3% of the portfolio value if achievable.

The charity has a participating interest in two unlisted companies. Details of these share holdings are shown in Note 12.

The Trust takes advice from our Investment Managers as to the most appropriate investments we should have, including whether social, environmental or ethical considerations should be taken into account.

The performance of our Investment Managers is reviewed annually by the trustees and compared to relevant published indices as well as benchmarks of investment market comparators.

Plans for future periods

Aims and key objectives for future periods

The trustees intend to further the objects of the charity by continuing to make grants and donations to suitable projects.

Structure, governance and management

Nature of governing document

The charity is governed by a Trust Deed dated 14 October 1945 amended by a Scheme made by the Charity Commission on 14 September 1973, and Orders made by the Charity Commission on 25 November 1993 and 13 April 1999.

Trustees' Report (continued)

Recruitment and appointment of trustees

Appointment of trustees is governed by the constitution of the charity. The trustees are appointed as follows:

1. There should be one ex-officio trustee who should be the person from time to time and for the time being holding the Heathcoat Amory Baronetcy, if of full age and willing to act. If unwilling to act the ex-officio trustee may appoint some other fit person to be a trustee to hold office in his place for so long as he thinks fit.

2. Two Nominative Trustees, appointed as follows:
One by the Board of Directors of Heathcoat Fabrics Limited.
One by the majority of employees of Heathcoat Fabrics Limited.

3. There should be three co-opted trustees who are appointed by the other trustees.

Any vacancies at the year end will be considered by the trustees.

Induction and training of trustees

When new Trustees are appointed they are given a formal induction to the work of the Trust and provided with the information they need to fulfil their roles, which include information about the role of Trustees and charity law.

Major risks and management of those risks

The trustees have conducted a review of the major risks to which the charity is exposed and confirm that systems have been established to enable regular reports so that the necessary steps can be taken to lessen these risks.

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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 state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. 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 business.

The trustees are responsible for keeping proper 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 Charities (Accounts and Reports) Regulations 2008, and the provisions of the constitution. The trustees 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.

Trustees' Report (continued)

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor
Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 25/11/25 and signed on its behalf by:

Mr John Smith
Trustee

Independent Auditor's Report to the Members of The Heathcoat Trust

Opinion

We have audited the financial statements of The Heathcoat Trust (the 'charity') for the year ended 5 April 2025, which comprise the Statement of Financial Activities, Balance Sheet, 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (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 2025 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 auditor 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 original financial statements were 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 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.

Independent Auditor's Report to the Members of The Heathcoat Trust (continued)

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.

Matters on which we are required to report by exception

In the light of our 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' Report.

We have nothing to report in respect of the following matters where the Charities (Accounts and Report) Regulations 2008 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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 (set out on page 4 and 5), 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 liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report to the Members of The Heathcoat Trust (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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,

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management. We communicated identified laws and regulations throughout our team, and remained alert to any indications of non-compliance throughout the audit.
- The charity is subject to laws and regulations that govern the preparation of the financial statements, including financial reporting legislation, and other charities legislation. The charity is also subject to other laws and regulations where the consequences of non-compliance could have a material impact on the amounts or disclosures within the financial statements, including employment, anti-bribery, anti-money laundering and certain aspects of charities legislation including public benefit consideration.

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 auditing standards. In any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Independent Auditor's Report to the Members of The Heathcoat Trust (continued)

Use of our report

This report is made solely to the charity 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 trustees those matters we are required to state to trustees 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Westcotts (SW) LLP

Westcotts (SW) LLP,
Statutory Auditors
47 Boutport Street
Barnstaple
Devon
EX31 1SQ

Date: 27th November 2025

The Heathcoat Trust

Statement of Financial Activities for the Year Ended 5 April 2025

	Note	Unrestricted funds £	Endowment funds £	Total 2025 £	Total 2024 £
Income and Endowments from:					
Investment income	3	954,438	-	954,438	930,891
Total income		954,438	-	954,438	930,891
Expenditure on:					
Raising funds	4	(23,603)	(106,807)	(130,410)	(115,398)
Charitable activities	5	(842,532)	-	(842,532)	(755,910)
Total expenditure		(866,135)	(106,807)	(972,942)	(871,308)
Gains/(losses) on investment assets		(204,788)	(912,404)	(1,117,192)	944,011
Net (expenditure)/income		(116,485)	(1,019,211)	(1,135,696)	1,003,594
Reconciliation of funds					
Total funds brought forward		5,658,704	22,770,298	28,429,002	27,425,408
Total funds carried forward	19	5,542,219	21,751,087	27,293,306	28,429,002

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2024 is shown in note 19.

The Heathcoat Trust

(Registration number: 203367)
Balance Sheet as at 5 April 2025

	Note	2025 £	2024 £
Fixed assets			
Investments	12	21,751,087	22,770,298
Current assets			
Debtors	13	64,753	84,089
Investments		4,602,921	4,825,761
Cash at bank and in hand	14	905,566	757,674
		5,573,240	5,667,524
Creditors: Amounts falling due within one year	15	(13,359)	(8,820)
Net current assets		5,559,881	5,658,704
Total assets less current liabilities		27,310,968	28,429,002
Creditors: Amounts falling due after more than one year	16	(17,662)	-
Net assets		27,293,306	28,429,002
Funds of the charity:			
Endowment funds		21,751,087	22,770,298
Unrestricted income funds			
Unrestricted funds		5,542,219	5,658,704
Total funds	19	27,293,306	28,429,002

The financial statements on pages 10 to 26 were approved by the trustees, and authorised for issue on 23/11/25 and signed on their behalf by:

.....
Mr John Smith
Trustee

The Heathcoat Trust

Cash Flow Statement for the Year Ended 5 April 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash (expenditure)/income		(1,135,696)	1,003,594
Adjustments to cash flows from non-cash items			
Investment income	3	(954,438)	(930,891)
Revaluation of investments		1,166,735	(908,778)
		(923,399)	(836,075)
Working capital adjustments			
Decrease/(increase) in debtors	13	19,336	(14,004)
Increase/(decrease) in creditors	15	22,201	(2,330)
Net cash flows from operating activities		(881,862)	(852,409)
Cash flows from investing activities			
Interest receivable and similar income	3	954,438	930,891
Purchase of investments	12	(3,335,222)	(4,817,811)
Sale of investments		3,447,263	4,408,418
Cash movement on investments		(36,725)	481,102
Net cash flows from investing activities		1,029,754	1,002,600
Net increase in cash and cash equivalents		147,892	150,191
Cash and cash equivalents at 6 April		757,674	607,483
Cash and cash equivalents at 5 April		905,566	757,674

All of the cash flows are derived from continuing operations during the above two periods.

Cashflow restrictions
Charity law prohibits the use of net cash inflows on any endowed or other restricted fund to offset net cash outflows on any fund outside its own Objects, except on special authority. In practice, this restriction has not had any effect on cash flows for the year.

Notes to the Financial Statements for the Year Ended 5 April 2025

1 Charity status

The Heathcoat Trust is a charity registered in England within the United Kingdom.

The address of its registered office is;
The Factory
West Exe
Tiverton
Devon
EX16 5LL

2 Accounting policies

Statement of compliance
The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation
The Heathcoat Trust meets the definition of a public benefit entity under FRS 102. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The accounts are prepared in sterling which is the functional currency of the charity.

Going concern
The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments
Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Investment income

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest. Investment income is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised when the charity's right to receive payment is established.

Expenditure
All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Support costs
Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs
These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Taxation
The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fixed asset investments
Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Current asset investments
Current asset investments are included at the lower of cost and net realisable value / market value.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Fund structure
General unrestricted funds comprise accumulated surpluses and deficits on general funds and cumulative realised and unrealised gains on revaluations of investments. They are available for use at the discretion of the Trustees in furtherance of the charity's objectives.

The charity has an endowment, which it is legally prevented from spending and must retain intact. It has invested the endowment to provide income for its activities.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

3 Investment income

	Unrestricted funds General £	Total 2025 £
Interest receivable on bank deposits	20,939	20,939
Income from listed investments	929,859	929,859
Income from other investments	3,640	3,640
	954,438	954,438

	Unrestricted funds General £	Total 2024 £
Interest receivable on bank deposits	9,402	9,402
Income from listed investments	917,849	917,849
Income from other investments	3,640	3,640
	930,891	930,891

4 Expenditure on raising funds

Investment management costs

	Unrestricted funds General £	Endowment funds Permanent £	Total 2025 £
Other investment management costs;			
Other portfolio management costs	23,603	106,807	130,410

	Unrestricted funds General £	Endowment funds Permanent £	Total 2024 £
Other investment management costs;			
Other portfolio management costs	22,476	92,922	115,398

5 Expenditure on charitable activities

	Grant funding of activity £	Activity support costs £	2025 £
Employees in sickness	3,810	124	3,934
Chiropody	21,143	690	21,833
Consolidated grant	316,642	10,338	326,980
Charitable organisations and general	106,712	2,763	109,475
Educational bodies	188,882	6,167	195,049
In case of hardship	4,039	132	4,171
Hospital visits	29,917	977	30,894
Death grants	79,240	2,587	81,827
Communication Grants	180	6	186
Opticians charges	17,788	581	18,369
Dentists charge	15,854	518	16,372
Governance costs	-	16,045	16,045
School trips	6,077	198	6,275
Care alarms	10,770	352	11,122
	801,054	41,478	842,532

	Grant funding of activity £	Activity support costs £	2024 £
Employees in sickness	780	25	805
Chiropody	19,883	631	20,514
Consolidated grant	319,283	10,135	329,418
Charitable organisations and general	56,858	1,892	58,750
Educational bodies	183,421	5,822	189,243
In case of hardship	2,456	78	2,534
Hospital visits	27,868	885	28,753
Death grants	51,250	1,627	52,877
Communication Grants	240	8	248
Opticians charges	24,175	767	24,942
Dentists charge	15,631	496	16,127
Governance costs	-	15,675	15,675
School trips	5,317	169	5,486
Care alarms	10,214	324	10,538
	717,376	38,534	755,910

6 Analysis of governance and support costs

Analysis of support costs

	Total 2025 £	Total 2024 £
Salary	19,408	17,982
Employer's NIC	1,453	1,292
Pension	1,068	989
Rent and telephone	404	396
Insurance	271	303
Stationery	1,275	514
Gratuities	100	100
Bank charges	1,454	1,283
Governance costs	16,045	15,675
	41,478	38,534

Governance costs

	Total 2025 £	Total 2024 £
Staff costs		
Wages and salaries	6,469	5,994
Social security costs	484	431
Pension costs	356	329
Audit fees		
Audit of the financial statements	8,646	8,820
Other governance costs	90	101
	16,045	15,675

7 Charitable organisations and general - grants of £1,000 or more payable and committed to institutions during the year

	2025 £	2024 £
Tiverton		
BOUNCE! Brighter Futures	-	1,000
Exe Valley Community Bar & Venue Ltd	3,000	-
Friends of Tiverton Town Leat	2,400	-
Churches Housing Action Team	1,000	1,000
Citizens Advice Mid Devon	1,000	-
Sing Yourself Well	1,000	-
Hospicecare Pine Lodge	1,000	1,000
Tiverton Rugby Football Club	10,000	-
Moors Youth Football Club	1,000	1,000
Ventrus - Wilcombe Primary School	1,140	-
Tiverton Junior Operatic Club	1,500	1,500
Tiverton Museum	-	5,500
Tiverton Swimming Club	1,000	1,000
Tiverton Youth Orchestra	1,000	1,000
Tiverton & District Scout Council	1,000	1,000
Tiverton Bowling Club	-	2,302
Tiverton Street Pastors	-	1,000
Two Moors Primary School	1,200	1,200
Unite Carers in Mid Devon	1,000	1,000
Westexe Sports & Social Club	-	1,000
	28,240	20,502
General		
Balloons (Devon)	1,500	1,000
Bradninch Town Council	-	1,000
Citizens Advice TNMWD	1,000	-
Calvert Trust Exmoor	1,000	1,000
Children's Hospice SW	1,000	1,000
Cornwall Hospice Care	-	1,000
Crediton Parish Church Music Endowment Fund	-	1,000
Devon Air Ambulance Trust	-	2,348
Exeter Leukaemia Fund	1,750	1,750
ExeAccess (ECTA)	3,950	1,950
Force Cancer Charity	1,500	1,500
Listening Books	1,000	1,000
Macmillan Cancer Support	1,000	1,000
Halberton Bellringers	7,500	-
Halberton Primary School	2,000	-

	2025 £	2024 £
Rackenford Primary School	10,000	-
Reminiscence Learning	1,000	-
Tarka Valley Railway	1,000	-
St Margaret's Church, Stoodleigh	-	1,100
	35,200	16,648

8 Trustees remuneration and expenses

Mr Mark Drysdale
£337 (2024 - £40) in respect of grants were paid to Mr Mark Drysdale during the year.

Mrs Susan Westlake
£2,871 (2024 - £960) in respect of grants were paid to Mrs Susan Westlake and her family during the year.

Ms Johanne Cherry
£170 (2024 - £Nil) in respect of grants were paid to Ms Johanne Cherry during the year.

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year (2024 - Nil).

No trustees have received any other benefits from the charity during the year.

The amount of expenses waived by the trustees during the year totalled £Nil (2024 - £Nil).

9 Staff costs

The aggregate payroll costs were as follows:

	2025 £	2024 £
Staff costs during the year were:		
Wages and salaries	25,877	23,976
Social security costs	1,937	1,723
Pension costs	1,424	1,318
	29,238	27,017

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year was as follows:

	2025 No	2024 No
Employee	1	1

No employee received emoluments of more than £60,000 during the year or the previous year.

The total employee benefits of the key management personnel of the charity were £Nil (2024 - £Nil).

10 Auditors' remuneration

	2025 £	2024 £
Audit of the financial statements	8,646	8,820

11 Taxation

The charity is a registered charity and is therefore exempt from taxation.

12 Fixed asset investments

	2025 £	2024 £
Investments	26,354,008	27,596,059

Other investments

(A) Reconciliation of investments

	Unrestricted fund £	Permanent Endowment £	2025 £	2024 £
Cost or Valuation				
At 6 April 2024	4,805,048	22,671,454	27,476,502	26,158,331
Additions	478,566	2,856,656	3,335,222	4,817,811
Disposals at market value	(494,934)	(2,952,329)	(3,447,263)	(4,408,418)
Net unrealised gains/(losses)	(201,422)	(965,313)	(1,166,735)	908,778
At 5 April 2025	4,587,258	21,610,468	26,197,726	27,476,502
Cash held as part of investment portfolio	10,232	146,050	156,282	119,557
Transfer between funds - Endowment	5,431	(5,431)	-	-
	4,602,921	21,751,087	26,354,008	27,596,059
Fixed assets	-	21,751,087	21,751,087	22,770,298
Current assets	4,602,921	-	4,602,921	4,825,761
	4,602,921	21,751,087	26,354,008	27,596,059

Notes to the Financial Statements for the Year Ended 5 April 2025 (continued)

(B) Analysis of investments

	Unrestricted funds £	Permanent Endowment £	2025 £	2024 £
Special range permanent fund	-	1,824,689	1,824,689	1,824,689
Permanent fund	-	19,785,779	19,785,779	20,846,765
Expendable fund	4,587,258	-	4,587,258	4,805,048
	4,587,258	21,610,468	26,197,726	27,476,502
Cash held as part of investment fund	10,232	146,050	156,282	119,557
Transfer between funds	5,431	(5,431)	-	-
	15,663	140,619	156,282	119,557
	4,602,921	21,751,087	26,354,008	27,596,059
Investments listed on recognised stock exchange	4,587,258	19,785,779	24,373,037	25,651,813
Unlisted investments - associated undertakings	-	1,824,689	1,824,689	1,824,689
Cash held as part of investment portfolio	10,232	146,050	156,282	119,557
Transfer between funds	5,431	(5,431)	-	-
	4,602,921	21,751,087	26,354,008	27,596,059
Historical cost	4,360,177	18,782,790	23,142,967	23,314,740

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held 2025	2024
Significant holdings				
Lowman Manufacturing Company Ltd	UK	2,447,190 ord 20p	22.97%	22.97%
John Heathcoat & Company (Holdings) Ltd	UK	103,987 70p Cumulative Preference shares	37.8%	37.8%

13 Debtors

	2025	2024
	£	£
Other debtors	64,753	84,089

14 Cash and cash equivalents

	2025	2024
	£	£
Cash at bank	905,566	757,674

15 Creditors: amounts falling due within one year

	2025	2024
	£	£
Other creditors	4,413	-
Accruals	8,946	8,820
	13,359	8,820

16 Creditors: amounts falling due after one year

	2025
	£
Other creditors	17,662

17 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £1,424 (2024 - £1,318)

18 Charitable commitments

At the balance sheet date, there were outstanding commitments for future financial support to institutions fulfilling certain conditions,

	2025	2024
	£	£
Halberton Bellringers Society	-	7,500
St Peter's Church	-	10,000
Sunningmead Community Association	-	10,000
Tiverton Community Arts	200,000	200,000
	200,000	227,500

In addition, pledges of continued support with education grants have been made to individuals by the trustees for 2025/26: these amounted to £161,665 (2024 - £153,862) at the balance sheet date, together with an unquantifiable contingency relating to school fees for a number of pupils.

These commitments have not yet been provided for in the financial statements, as they are conditional.

19 Funds

	Balance at 6 April 2024 £	Income £	Expenditure £	Other recognised gains/ (losses) £	Balance at 5 April 2025 £
Unrestricted funds					
General					
General Funds	5,658,704	954,438	(866,135)	(204,788)	5,542,219
Endowment funds					
Permanent					
Permanent Funds	22,770,298	-	(106,807)	(912,404)	21,751,087
Total funds	28,429,002	954,438	(972,942)	(1,117,192)	27,293,306

	Balance at 6 April 2023 £	Income £	Expenditure £	Other recognised gains/ (losses) £	Balance at 5 April 2024 £
Unrestricted funds					
General					
General Funds	5,415,316	930,891	(778,386)	90,883	5,658,704
Endowment funds					
Permanent					
Permanent Funds	22,010,092	-	(92,922)	853,128	22,770,298
Total funds	27,425,408	930,891	(871,308)	944,011	28,429,002

20 Analysis of net assets between funds

	Unrestricted funds General £	Endowment funds Permanent £	Total funds at 5 April 2025 £
Fixed asset investments	-	21,751,087	21,751,087
Current assets	5,573,240	-	5,573,240
Current liabilities	(13,359)	-	(13,359)
Creditors over 1 year	(17,662)	-	(17,662)
Total net assets	5,542,219	21,751,087	27,293,306

	Unrestricted funds General £	Endowment funds Permanent £	Total funds at 5 April 2024 £
Fixed asset investments	-	22,770,298	22,770,298
Current assets	5,667,524	-	5,667,524
Current liabilities	(8,820)	-	(8,820)
Total net assets	5,658,704	22,770,298	28,429,002

21 Analysis of net funds

	At 6 April 2024 £	Financing cash flows £	At 5 April 2025 £
Cash at bank and in hand	757,674	147,892	905,566
Net funds	757,674	147,892	905,566

	At 6 April 2023 £	Financing cash flows £	At 5 April 2024 £
Cash at bank and in hand	607,483	150,191	757,674
Net funds	607,483	150,191	757,674

22 Related party transactions

There were no related party transactions in the year.

THE HEATHCOAT TRUST

England & Wales - Charity number 203367

Accounts

Charity registration number: 203367

The Heathcoat Trust

Annual Report and Financial Statements

for the Year Ended 5 April 2024



The Heathcoat Trust

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The Heathcoat Trust

Reference and Administrative Details

Trustees	Mr John Smith Mr Mark Drysdale Mrs Susan Westlake Mr Julian Morgan (resigned 03/10/23) Mr Lee Sellens (resigned 05/09/23) Mrs Tatiana Rose Heathcoat Amory Mrs Carol Ann Onley-Gregson (appointed 21/11/23) Ms Johanne Cherry (appointed 29/01/24)
Secretary to the Trustees	Mrs Helen Isaac
Charity Registration Number	203367
Principal Office	The Factory West Exe Tiverton Devon EX16 5LL
Independent Examiner	Westcotts (SW) LLP 47 Boutport Street Barnstaple Devon EX31 1SQ
Solicitors	Ashfords LLP Ashford House Genadier Road Exeter Devon EX1 3LH
Bankers	NatWest Exeter 59 High Street Exeter Devon EX4 3DL
Investment Brokers	Rathbone Investment Management 30 Gresham Street London EC2V 7QN RBC Brewin Dolphin 12 Smithfield Street London EC1A 9BD

The Heathcoat Trust

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 5 April 2024.

Objectives and activities

Objects and aims

The Trust Deed, as amended by the Order dated 13 April 1999, provides that the charity's income shall be applied:

(a) for the relief of financial hardship,
(b) for education and training,
(c) for building or making grants to health institutions, and
(d) in certain circumstances for making contributions to any charity but mostly in Tiverton in Devon, its neighbourhood or in places where the firms John Heathcoat and Company Limited and Lowman Manufacturing Company Limited and their subsidiaries carry on business.
(e) in so far as it cannot be applied towards the objects specified in the Trust Deed, it may be applied for any charitable purpose.

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Grants

The charity invites local institutions and individuals to make applications for grants for suitable projects.

Achievements and performance

The objective of the Charity is to make financial contributions to people and institutions in fulfilment of the provisions of the Trust Deed as above.

To further this objective, the trustees meet regularly to consider applications for grants. The trust is not designed to set up initiatives of its own, thus the trustees rely on applications to which they respond.

In the year under review, grants of £717,376 (2023: £729,075) were distributed and the accumulated undistributed income increased by £215,888 after taking into account realised and unrealised gains/(losses) on the unrestricted fund.

At the year end total unrestricted funds were £5,658,704 (2023: £5,415,316).

The trustees consider that making grants to pensioners and local organisations in this way satisfies the Charity Commission's guidance on public benefit.

Financial review

The financial statements comply with current statutory requirement and the charity's governing documents. The charity's donations are made annually with conditional and conditional commitments continuing into succeeding years. The charity's investments are professionally managed and give the charity a strong financial base.

Trustees' Report (continued)

Policy on reserves

The reserve fund represents unrestricted funds arising from historic unspent income. Currently the trustees are looking to respond to as many incoming qualifying applications as possible, expending all income received during the year as well as amounts from the reserve fund if necessary. The balance is held towards the possibility of funding a large project within the Trust's objectives in the future. The trustees consider the reserve fund to be sufficient for the time being but as unrealised gains and losses are reflected through this fund its value will fluctuate with market conditions at each year end.

The endowment fund is a restricted fund under terms of the trust deed and must be held permanently. Its purpose is to ensure a suitable income stream to finance the ongoing work of the charity within its charitable objectives. It is represented by unlisted investments as set out in Note 12, and a portfolio of investments that are managed by the investment managers. The investment managers have been given discretionary power to acquire and dispose of investments within the policy set by the trustees.

Investment policy and objectives

The constitution authorises the trustees to make and hold investments using the funds of the charity. Investments are held with Rathbone Investment Management at 30 Gresham Street, London, EC2V 7QN, and Brewin Dolphin at 12 Smithfield Street, London, EC1A 9LA, who are the charity's investment managers.

The policy is to adopt a medium risk investment strategy with a balance between capital growth and income which should not be below 3% of the portfolio value if achievable.

The charity has a participating interest in two unlisted companies. Details of these share holdings are shown in Note 12.

The Trust takes advice from our Investment Managers as to the most appropriate investments we should have, including whether social, environmental or ethical considerations should be taken into account.

The performance of our Investment Managers is reviewed annually by the trustees and compared to relevant published indices as well as benchmarks of investment market comparators.

Plans for future periods

Aims and key objectives for future periods

The trustees intend to further the objects of the charity by continuing to make grants and donations to suitable projects.

Structure, governance and management

Nature of governing document

The charity is governed by a Trust Deed dated 14 October 1945 amended by a Scheme made by the Charity Commission on 14 September 1973, and Orders made by the Charity Commission on 25 November 1993 and 13 April 1999.

Trustees' Report (continued)

Recruitment and appointment of trustees

Appointment of trustees is governed by the constitution of the charity. The trustees are appointed as follows:

1. There should be one ex-officio trustee who should be the person from time to time and for the time being holding the Heathcoat Amory Baronetcy, if of full age and willing to act. If unwilling to act the ex-officio trustee may appoint some other fit person to be a trustee to hold office in his place for so long as he thinks fit.

2. Four Nominative Trustees, appointed as follows:
One by the Board of Directors of John Heathcoat and Company Limited.
One by the Board of Directors of Lowman Manufacturing Company Limited.
One by the majority of employees of John Heathcoat and Company Limited.
One by the majority of employees of Lowman Manufacturing Company Limited.

3. There should be a co-opted trustee who is appointed by the other trustees.

Any vacancies at the year end will be considered by the trustees.

Induction and training of trustees

When new Trustees are appointed they are given a formal induction to the work of the Trust and provided with the information they need to fulfil their roles, which include information about the role of Trustees and charity law.

Major risks and management of those risks

The trustees have conducted a review of the major risks to which the charity is exposed and confirm that systems have been established to enable regular reports so that the necessary steps can be taken to lessen these risks.

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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 state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. 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 business.

Trustees' Report (continued)

The trustees are responsible for keeping proper 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 Charities (Accounts and Reports) Regulations 2008, and the provisions of the constitution. The trustees 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 trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor
Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 20/11/24 and signed on its behalf by:

Mr John Smith
Trustee

Independent Auditor's Report to the Members of The Heathcoat Trust

Opinion

We have audited the financial statements of The Heathcoat Trust (the 'charity') for the year ended 5 April 2024, which comprise the Statement of Financial Activities, Balance Sheet, 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (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 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 auditor 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 original financial statements were 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 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.

Independent Auditor's Report to the Members of The Heathcoat Trust (continued)

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.

Matters on which we are required to report by exception

In the light of our 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' Report.

We have nothing to report in respect of the following matters where the Charities (Accounts and Report) Regulations 2008 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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 (set out on page 4 and 5), 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 liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

Independent Auditor's Report to the Members of The Heathcoat Trust (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness ofthe internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness ofthe trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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,

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management. We communicated identified laws and regulations throughout our team, and remained alert to any indications of non-compliance throughout the audit.
- The company is subject to laws and regulations that govern the preparation of the financial statements, including financial reporting legislation, and other charities legislation. The charity is also subject to other laws and regulations where the consequences of non-compliance could have a material impact on the amounts or disclosures within the financial statements, including employment, anti-bribery, anti-money laundering and certain aspects of charities legislation including public benefit consideration.

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 auditing standards. In any audit, there remains a higher risk of nondetection ofirregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Independent Auditor's Report to the Members of The Heathcoat Trust (continued)

Use of our report

This report is made solely to the charity 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 trustees those matters we are required to state to trustees 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Westcotts (SW) LLP

Westcotts (SW) LLP,
Statutory Auditors
47 Boutport Street
Barnstaple
Devon
EX31 1SQ

Date: 27th November 2024

The Heathcoat Trust

Statement of Financial Activities for the Year Ended 5 April 2024

	Note	Unrestricted funds £	Endowment funds £	Total 2024 £	Total 2023 £
Income and Endowments from:					
Investment income	3	930,891	-	930,891	953,551
Other income		-	-	-	100
Total income		930,891	-	930,891	953,651
Expenditure on:					
Raising funds	4	(22,476)	(92,922)	(115,398)	(110,465)
Charitable activities	5	(755,910)	-	(755,910)	(764,717)
Total expenditure		(778,386)	(92,922)	(871,308)	(875,182)
Gains/(losses) on investment assets		90,883	853,128	944,011	(1,923,955)
Net income/(expenditure)		243,388	760,206	1,003,594	(1,845,486)
Reconciliation of funds					
Total funds brought forward		5,415,316	22,010,092	27,425,408	29,270,894
Total funds carried forward	18	5,658,704	22,770,298	28,429,002	27,425,408

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2023 is shown in note 18.

The Heathcoat Trust

(Registration number: 203367)
Balance Sheet as at 5 April 2024

	Note	2024 £	2023 £
Fixed assets			
Investments	12	22,770,298	22,010,092
Current assets			
Debtors	13	84,089	70,085
Investments		4,825,761	4,748,898
Cash at bank and in hand	14	757,674	607,483
		5,667,524	5,426,466
Creditors: Amounts falling due within one year	15	(8,820)	(11,150)
Net current assets		5,658,704	5,415,316
Net assets		28,429,002	27,425,408
Funds of the charity:			
Endowment funds		22,770,298	22,010,092
Unrestricted income funds			
Unrestricted funds		5,658,704	5,415,316
Total funds	18	28,429,002	27,425,408

The financial statements on pages 10 to 26 were approved by the trustees, and authorised for issue on 20/11/24 and signed on their behalf by:

Mr John Smith
Trustee

Cash Flow Statement for the Year Ended 5 April 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash income/(expenditure)		1,003,594	(1,845,486)
Adjustments to cash flows from non-cash items			
Investment income	3	(930,891)	(953,551)
Revaluation of investments		(908,778)	1,518,993
		(836,075)	(1,280,044)
Working capital adjustments			
Increase in debtors	13	(14,004)	(13,298)
Decrease in creditors	15	(2,330)	(75)
Net cash flows from operating activities		(852,409)	(1,293,417)
Cash flows from investing activities			
Interest receivable and similar income	3	930,891	953,551
Purchase of investments	12	(4,817,811)	(3,513,932)
Sale of investments		4,408,418	4,048,140
Cash movement on investments		481,102	(237,399)
Net cash flows from investing activities		1,002,600	1,250,360
Net increase/(decrease) in cash and cash equivalents		150,191	(43,057)
Cash and cash equivalents at 6 April		607,483	650,540
Cash and cash equivalents at 5 April		757,674	607,483

All of the cash flows are derived from continuing operations during the above two periods.

Cashflow restrictions
Charity law prohibits the use of net cash inflows on any endowed or other restricted fund to offset net cash outflows on any fund outside its own Objects, except on special authority. In practice, this restriction has not had any effect on cash flows for the year.

Notes to the Financial Statements for the Year Ended 5 April 2024

1 Charity status

The Heathcoat Trust is a charity registered in England within the United Kingdom.

The address of its registered office is;
The Factory
West Exe
Tiverton
Devon
EX16 5LL

2 Accounting policies

Statement of compliance
The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation
The Heathcoat Trust meets the definition of a public benefit entity under FRS 102. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The accounts are prepared in sterling which is the functional currency of the charity.

Going concern
The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments
Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Investment income

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest. Investment income is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised when the charity's right to receive payment is established.

Expenditure
All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Support costs
Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs
These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Taxation
The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fixed asset investments
Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Current asset investments
Current asset investments are included at the lower of cost and net realisable value / market value.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Fund structure
General unrestricted funds comprise accumulated surpluses and deficits on general funds and cumulative realised and unrealised gains on revaluations of investments. They are available for use at the discretion of the Trustees in furtherance of the charity's objectives.

The charity has an endowment, which it is legally prevented from spending and must retain intact. It has invested the endowment to provide income for its activities.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

3 Investment income

	Unrestricted funds General £	Total 2024 £
Interest receivable on bank deposits	9,402	9,402
Income from listed investments	917,849	917,849
Income from other investments	3,640	3,640
	930,891	930,891

	Unrestricted funds General £	Total 2023 £
Interest receivable on bank deposits	11,183	11,183
Income from listed investments	870,194	870,194
Income from other investments	72,174	72,174
	953,551	953,551

4 Expenditure on raising funds

Investment management costs

	Unrestricted funds General £	Endowment funds Permanent £	Total 2024 £
Other investment management costs;			
Other portfolio management costs	22,476	92,922	115,398
	22,476	92,922	115,398

	Unrestricted funds General £	Endowment funds Permanent £	Total 2023 £
Other investment management costs;			
Other portfolio management costs	16,339	94,126	110,465
	16,339	94,126	110,465

5 Expenditure on charitable activities

	Grant funding of activity £	Activity support costs £	2024 £
Employees in sickness	780	25	805
Chiropody	19,883	631	20,514
Consolidated grant	319,283	10,135	329,418
Charitable organisations and general	56,858	1,892	58,750
Educational bodies	183,421	5,822	189,243
In case of hardship	2,456	78	2,534
Hospital visits	27,868	885	28,753
Death grants	51,250	1,627	52,877
Communication Grants	240	8	248
Opticians charges	24,175	767	24,942
Dentists charge	15,631	496	16,127
Governance costs	-	15,675	15,675
School trips	5,317	169	5,486
Care alarms	10,214	324	10,538
	717,376	38,534	755,910

Notes to the Financial Statements for the Year Ended 5 April 2024 (continued)

	Grant funding of activity £	Activity support costs £	2023 £
Employees in sickness	360	10	370
Chiropody	22,398	642	23,040
Consolidated grant	327,359	9,386	336,745
Charitable organisations and general	70,388	2,055	72,443
Educational bodies	174,968	5,017	179,985
In case of hardship	2,804	80	2,884
Hospital visits	32,325	927	33,252
Death grants	62,000	1,778	63,778
Communication Grants	525	15	540
Opticians charges	19,180	550	19,730
Dentists charge	16,768	481	17,249
Governance costs	-	14,701	14,701
	729,075	35,642	764,717

6 Analysis of governance and support costs

Analysis of support costs

	Total 2024 £	Total 2023 £
Salary	17,982	16,607
Pension	989	913
Employer's NIC	1,292	1,182
Rent and telephone	396	379
Insurance	303	202
Stationery	514	221
Gratuities	100	100
Bank charges	1,283	1,337
Governance costs	15,675	14,701
	38,534	35,642

Governance costs

	Total 2024 £	Total 2023 £
Staff costs		
Wages and salaries	5,994	5,536
Social security costs	431	394
Pension costs	329	304
Audit fees		
Audit of the financial statements	8,820	8,400
Other governance costs	101	67
	15,675	14,701

7 Charitable organisations and general - grants of £1,000 or more payable and committed to institutions during the year

	2024 £	2023 £
Tiverton		
BOUNCE! Brighter Futures	1,000	-
Churches Housing Action Team	1,000	1,000
Citizens Advice Mid Devon	-	1,000
Hospicecare Pine Lodge	1,000	1,000
Libraries Unlimited SW	-	1,500
Moors Youth Football Club	1,000	1,000
St Pauls Church	-	5,000
The Willow Tree Dance & Theatre Arts	-	1,375
Tiverton Junior Operatic Club	1,500	1,500
Tiverton Museum	5,500	-
Tiverton Swimming Club	1,000	2,000
Tiverton Youth Orchestra	1,000	1,000
Tiverton & District Scout Council	1,000	1,000
Tiverton Bowling Club	2,302	-
Tiverton Street Pastors	1,000	-
Two Moors Primary School	1,200	-
Unite Carers in Mid Devon	1,000	1,000
Westexe Sports & Social Club	1,000	1,000
	20,502	19,375
General		
Balloons (Devon)	1,000	-
Bradninch Town Council	1,000	-
Blackdown Hills Transition Group	-	1,000
Calvert Trust Exmoor	1,000	-
Children's Hospice SW	1,000	1,000
Cornwall Hospice Care	1,000	-
Crediton Parish Church Music Endowment Fund	1,000	-
Devon Air Ambulance Trust	2,348	-
Exeter Leukaemia Fund	1,750	1,750
Exe Access (ECTA)	1,950	-
Force Cancer Charity	1,500	1,500
Listening Books	1,000	1,000
Macmillan Cancer Support	1,000	1,000
North Dartmoor Search & Rescue	-	3,750
PCC Sampford Peverell Church	-	1,250
St Margaret's Church, Stoodleigh	1,100	-
	16,648	12,250

Notes to the Financial Statements for the Year Ended 5 April 2024 (continued)

8 Trustees remuneration and expenses

Mr Mark Drysdale
£40 (2023: £39) in respect of grants were paid to Mr Mark Drysdale during the year.

Mr Lee Sellens (resigned 05/09/23)
£50 (2023: £30) in respect of grants were paid to Mr Lee Sellens during the year.

Mrs Susan Westlake
£960 (2023: £240) in respect of grants were paid to Mrs Susan Westlake during the year.

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year (2023:Nil).

No trustees have received any other benefits from the charity during the year.

The amount of expenses waived by the trustees during the year totalled £Nil (2023 - £Nil).

9 Staff costs

The aggregate payroll costs were as follows:

	2024 £	2023 £
Staff costs during the year were:		
Wages and salaries	23,976	22,143
Social security costs	1,723	1,577
Pension costs	1,318	1,216
	27,017	24,936

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year was as follows:

	2024 No	2023 No
Employee	1	1

No employee received emoluments of more than £60,000 during the year or the previous year.

The total employee benefits of the key management personnel of the charity were £Nil (2023 - £Nil).

10 Auditors' remuneration

	2024 £	2023 £
Audit of the financial statements	8,820	8,400

11 Taxation

The charity is a registered charity and is therefore exempt from taxation.

12 Fixed asset investments

	2024 £	2023 £
Investments	27,596,059	26,758,990

Other investments

(A) Reconciliation of investments

	Unrestricted fund £	Permanent Endowment £	2024 £	2023 £
Cost or Valuation				
At 6 April 2023	4,645,034	21,513,297	26,158,331	28,211,532
Additions	613,357	4,204,454	4,817,811	3,513,932
Disposals at market value	(577,036)	(3,831,382)	(4,408,418)	(4,048,140)
Net unrealised gains/(losses)	123,693	785,085	908,778	(1,518,993)
At 5 April 2024	4,805,048	22,671,454	27,476,502	26,158,331
Cash held as part of investment portfolio	12,342	107,215	119,557	600,659
Transfer between funds - Endowment	8,371	(8,371)	-	-
	4,825,761	22,770,298	27,596,059	26,758,990
Fixed assets	-	22,770,298	22,770,298	22,010,092
Current assets	4,825,761	-	4,825,761	4,748,898
	4,825,761	22,770,298	27,596,059	26,758,990

(B) Analysis of investments

	Unrestricted funds £	Permanent Endowment £	2024 £	2023 £
Special range permanent fund	-	1,824,689	1,824,689	1,996,024
Permanent fund	-	20,846,765	20,846,765	19,517,273
Expendable fund	4,805,048	-	4,805,048	4,645,034
	4,805,048	22,671,454	27,476,502	26,158,331
Cash held as part of investment fund	12,342	107,215	119,557	600,659
Transfer between funds	8,371	(8,371)	-	-
	20,713	98,844	119,557	600,659
	4,825,761	22,770,298	27,596,059	26,758,990

Investments listed on recognised stock exchange	4,805,048	20,846,765	25,651,813	24,162,307
Unlisted investments - associated undertakings	-	1,824,689	1,824,689	1,996,024
Cash held as part of investment portfolio	12,342	107,215	119,557	600,659
Transfer between funds	8,371	(8,371)	-	-
	4,825,761	22,770,298	27,596,059	26,758,990
Historical cost	4,422,784	18,891,956	23,314,740	22,861,634

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held 2024	2023
Significant holdings				
Lowman Manufacturing Company Ltd	UK	2,447,190 ord 25p	22.97%	22.97%
John Heathcoat & Company (Holdings) Ltd	UK	103,987 3.5% Cumulative Preference shares	37.8%	37.8%

13 Debtors

	2024 £	2023 £
Other debtors	84,089	70,085

14 Cash and cash equivalents

	2024 £	2023 £
Cash at bank	757,674	607,483

Notes to the Financial Statements for the Year Ended 5 April 2024 (continued)

15 Creditors: amounts falling due within one year

	2024 £	2023 £
Other creditors	-	2,750
Accruals	8,820	8,400
	8,820	11,150

16 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £1,326 (2023 - £1,216).

17 Charitable commitments

At the balance sheet date, there were outstanding commitments for future financial support to institutions fulfilling certain conditions,

	2024 £	2023 £
Halberton Bellringers Society	7,500	-
St Peter's Church	10,000	-
Sunningmead Community Association	10,000	-
Tiverton Community Arts	200,000	200,000
	227,500	200,000

In addition, pledges of continued support with education grants have been made to individuals by the trustees for 2024/25: these amounted to £153,862 (2023: £148,176) at the balance sheet date, together with an unquantifiable contingency relating to school fees for a number of pupils.

These commitments have not yet been provided for in the financial statements, as they are conditional.

18 Funds

	Balance at 6 April 2023 £	Income £	Expenditure £	Other recognised gains/ (losses) £	Balance at 5 April 2024 £
Unrestricted funds					
General					
General Funds	5,415,316	930,891	(778,386)	90,883	5,658,704
Endowment funds					
Permanent					
Permanent Funds	22,010,092	-	(92,922)	853,128	22,770,298
Total funds	27,425,408	930,891	(871,308)	944,011	28,429,002

	Balance at 6 April 2022 £	Income £	Expenditure £	Other recognised gains/ (losses) £	Balance at 5 April 2023 £
Unrestricted funds					
General					
General Funds	5,552,424	953,651	(781,056)	(309,703)	5,415,316
Endowment funds					
Permanent					
Permanent Funds	23,718,470	-	(94,126)	(1,614,252)	22,010,092
Total funds	29,270,894	953,651	(875,182)	(1,923,955)	27,425,408

19 Analysis of net assets between funds

	Unrestricted funds General £	Endowment funds Permanent £	Total funds at 5 April 2024 £
Fixed asset investments	-	22,770,298	22,770,298
Current assets	5,667,524	-	5,667,524
Current liabilities	(8,820)	-	(8,820)
Total net assets	5,658,704	22,770,298	28,429,002

Notes to the Financial Statements for the Year Ended 5 April 2024 (continued)

	Unrestricted funds General £	Endowment funds Permanent £	Total funds at 5 April 2023 £
Fixed asset investments	-	22,010,092	22,010,092
Current assets	5,426,466	-	5,426,466
Current liabilities	(11,150)	-	(11,150)
Total net assets	5,415,316	22,010,092	27,425,408

20 Analysis of net funds

	At 6 April 2023 £	Financing cash flows £	At 5 April 2024 £
Cash at bank and in hand	607,483	150,191	757,674
Net funds	607,483	150,191	757,674

	At 6 April 2022 £	Financing cash flows £	At 5 April 2023 £
Cash at bank and in hand	650,540	(43,057)	607,483
Net funds	650,540	(43,057)	607,483

21 Related party transactions

There were no related party transactions in the year.

THE HEATHCOAT TRUST

England & Wales - Charity number 203367

Accounts

Charity registration number: 203367

The Heathcoat Trust

Annual Report and Financial Statements

for the Year Ended 5 April 2023

WESTCOTTS

CHARTERED ACCOUNTANTS
& BUSINESS ADVISERS

The Heathcoat Trust

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The Heathcoat Trust

Reference and Administrative Details

Trustees	Sir Ian Heathcoat Amory, Bt DL (resigned 23/3/23) Mr John Smith Mr Mark Drysdale Mrs Susan Westlake Mr Julian Morgan (resigned 03/10/23) Mr Lee Sellens (resigned 05/09/23) Mrs Tatiana Rose Heathcoat Amory (appointed 23/03/23) Mrs Carol Ann Onley-Gregson (appointed 21/11/23)
Secretary to the Trustees	Mrs Helen Isaac
Charity Registration Number	203367
Principal Office	The Factory West Exe Tiverton Devon EX16 5LL
Auditor	Westcotts (SW) LLP 47 Boutport Street Barnstaple Devon EX31 1SQ
Solicitors	Ashfords LLP Ashford House Genadier Road Exeter Devon EX1 3LH

The Heathcoat Trust

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 5 April 2023.

Objectives and activities

Objects and aims

The Trust Deed, as amended by the Order dated 13 April 1999, provides that the charity's income shall be applied:

(a) for the relief of financial hardship,
(b) for education and training,
(c) for building or making grants to health institutions, and
(d) in certain circumstances for making contributions to any charity but mostly in Tiverton in Devon, its neighbourhood or in places where the firms John Heathcoat and Company Limited and Lowman Manufacturing Company Limited and their subsidiaries carry on business.
(e) in so far as it cannot be applied towards the objects specified in the Trust Deed, it may be applied for any charitable purpose.

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Grants

The charity invites local institutions and individuals to make applications for grants for suitable projects.

Achievements and performance

The objective of the Charity is to make financial contributions to people and institutions in fulfilment of the provisions of the Trust Deed as above.

To further this objective, the trustees meet regularly to consider applications for grants. The Trust is not designed to set up initiatives of its own, thus the trustees rely on applications to which they respond.

In the year under review, grants of £729,075 (2022:£615,710) were distributed and the accumulated undistributed income decreased by £137,108 after taking into account realised and unrealised gains/(losses) on the unrestricted fund.

The trustees consider that making grants to pensioners and local organisations in this way satisfies the Charity Commission's guidance on public benefit.

Financial review

The financial statements comply with current statutory requirements and the charity's governing documents. The charity's donations are made annually with conditional and unconditional commitments continuing into succeeding years. The charity's investments are professionally managed and give the charity a strong financial base.

Policy on reserves

The reserve fund represents unrestricted funds arising from historic unspent income. Currently the trustees are looking to respond to as many incoming qualifying applications as possible, expending all income received during the year as well as amounts from the reserve fund if necessary. The balance is held towards the possibility of funding a large project within the Trust's objectives in the future. The trustees consider the reserve fund to be sufficient for the time being but as unrealised gains and losses are reflected through this fund its value will fluctuate with market conditions at each year end.

The endowment fund is a restricted fund under terms of the trust deed and must be held permanently. Its purpose is to ensure a suitable income stream to finance the ongoing work of the charity within its charitable objectives. It is represented by unlisted investments as set out in Note 12, and a portfolio of investments that are managed by the investment managers. The investment managers have been given discretionary power to acquire and dispose of investments within the policy set by the trustees.

Investment policy and objectives

The constitution authorises the trustees to make and hold investments using the funds of the charity. Investments are held with Rathbone Investment Management at 8 Finsbury Circus, London, EC2M 7AZ, and Brewin Dolphin at 12 Smithfield Street, London, EC1A 9LA, who are the charity's investment managers.

The policy is to adopt a medium risk investment strategy with a balance between capital growth and income which should not be below 3% of the portfolio value if achievable.

The charity has a participating interest in two unlisted companies. Details of these share holdings are shown in Note 12.

The Trust takes advice from our Investment Managers as to the most appropriate investments we should have, including whether social, environmental or ethical considerations should be taken into account.

The performance of our Investment Managers is reviewed annually by the trustees and compared to relevant published indices as well as benchmarks of investment market comparators.

Plans for future periods

Aims and key objectives for future periods

The trustees intend to further the objects of the charity by continuing to make grants and donations to suitable projects.

Structure, governance and management

Nature of governing document

The charity is governed by a Trust Deed dated 14 October 1945 amended by a Scheme made by the Charity Commission on 14 September 1973, and Orders made by the Charity Commission on 25 November 1993 and 13 April 1999.

Recruitment and appointment of trustees

Appointment of trustees is governed by the constitution of the charity. The trustees are appointed as follows:

1. There should be one ex-officio trustee who should be the person from time to time and for the time being holding the Heathcoat Amory Baronetcy, if of full age and willing to act. If unwilling to act the ex-officio trustee may appoint some other fit person to be a trustee to hold office in his place for so long as he thinks fit.

2. Four Nominative Trustees, appointed as follows:
One by the Board of Directors of John Heathcoat and Company Limited.
One by the Board of Directors of Lowman Manufacturing Company Limited.
One by the majority of employees of John Heathcoat and Company Limited.
One by the majority of employees of Lowman Manufacturing Company Limited.

3. There should be a co-opted trustee who is appointed by the other trustees.

Any vacancies at the year end will be considered by the trustees.

Induction and training of trustees

When new Trustees are appointed they are given a formal induction to the work of the Trust and provided with the information they need to fulfil their roles, which include information about the role of Trustees and charity law.

Major risks and management of those risks

The trustees have conducted a review of the major risks to which the charity is exposed and confirm that systems have been established to enable regular reports so that the necessary steps can be taken to lessen these risks.

Trustees' Report (continued)

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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 state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. 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 business.

The trustees are responsible for keeping proper 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 Charities (Accounts and Reports) Regulations 2008, and the provisions of the constitution. The trustees 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 trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The annual report was approved by the trustees of the charity on 07/01/2024 and signed on its behalf by:

.....

Mr John Smith
Trustee

The Heathcoat Trust

Independent Auditor's Report to the Members of The Heathcoat Trust

Opinion

We have audited the financial statements of The Heathcoat Trust (the 'charity') for the year ended 5 April 2023, which comprise the Statement of Financial Activities, Balance Sheet, 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (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 2023 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 auditor 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 original financial statements were 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 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.

Independent Auditor's Report to the Members of The Heathcoat Trust (continued)

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.

Matters on which we are required to report by exception

In the light of our 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' Report.

We have nothing to report in respect of the following matters where the Charities (Accounts and Report) Regulations 2008 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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 (set out on page 5), 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 liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

Independent Auditor's Report to the Members of The Heathcoat Trust (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness ofthe internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness ofthe trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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,

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management. We communicated identified laws and regulations throughout our team, and remained alert to any indications of non-compliance throughout the audit.
- The company is subject to laws and regulations that govern the preparation of the financial statements, including financial reporting legislation, and other charities legislation. The charity is also subject to other laws and regulations where the consequences of non-compliance could have a material impact on the amounts or disclosures within the financial statements, including employment, anti-bribery, anti-money laundering and certain aspects of charities legislation including public benefit consideration.

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 auditing standards. In any audit, there remains a higher risk of nondetection ofirregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Independent Auditor's Report to the Members of The Heathcoat Trust (continued)

Use of our report

This report is made solely to the charity 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 trustees those matters we are required to state to trustees 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Catherine Williams FCA DChA (Senior Statutory Auditor)
For and on behalf of Westcotts (SW) LLP, Statutory Auditor

47 Boutport Street
Barnstaple
Devon
EX31 1SQ

Date: 22nd January 2024

The Heathcoat Trust

Statement of Financial Activities for the Year Ended 5 April 2023

	Note	Unrestricted funds £	Endowment funds £	Total 2023 £	Total 2022 £
Income and Endowments from:					
Donations and legacies		-	-	-	1,856
Investment income	4	953,551	-	953,551	876,844
Other income		100	-	100	-
Total income		953,651	-	953,651	878,700
Expenditure on:					
Raising funds		(16,339)	(94,126)	(110,465)	(155,023)
Charitable activities		(764,717)	-	(764,717)	(651,234)
Total expenditure		(781,056)	(94,126)	(875,182)	(806,257)
Gains/(losses) on investment assets		(309,703)	(1,614,252)	(1,923,955)	1,612,182
Net (expenditure)/income		(137,108)	(1,708,378)	(1,845,486)	1,684,625
Reconciliation of funds					
Total funds brought forward		5,552,424	23,718,470	29,270,894	27,586,269
Total funds carried forward	19	5,415,316	22,010,092	27,425,408	29,270,894

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2022 is shown in note 19.

The Heathcoat Trust

(Registration number: 203367)
Balance Sheet as at 5 April 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	13	22,010,092	23,718,470
Current assets			
Debtors	14	70,085	56,787
Investments		4,748,898	4,856,322
Cash at bank and in hand	15	607,483	650,540
		5,426,466	5,563,649
Creditors: Amounts falling due within one year	16	(11,150)	(11,225)
Net current assets		5,415,316	5,552,424
Net assets		27,425,408	29,270,894
Funds of the charity:			
Endowment funds		22,010,092	23,718,470
Unrestricted income funds			
Unrestricted funds		5,415,316	5,552,424
Total funds	19	27,425,408	29,270,894

The financial statements on pages 10 to 26 were approved by the trustees, and authorised for issue on 09/01/2024 and signed on their behalf by:

Mr John Smith
Trustee

The Heathcoat Trust

Cash Flow Statement for the Year Ended 5 April 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash (expenditure)/income		(1,845,486)	1,684,625
Adjustments to cash flows from non-cash items			
Investment income		(953,551)	(876,805)
Interest received		-	(39)
Other income		(100)	-
Loss/(profit) on disposal of investments		1,518,993	(1,255,177)
		(1,280,144)	(447,396)
Working capital adjustments			
(Increase)/decrease in debtors	14	(13,298)	426
(Decrease)/increase in creditors	16	(75)	3,725
Net cash flows from operating activities		(1,293,517)	(443,245)
Cash flows from investing activities			
Interest received		-	39
Acquisitions of investments		(3,513,932)	(7,584,761)
Proceeds from sale of investments		4,048,140	7,289,816
Cash in or out of endowment funds from the acquisition and disposal of investments		(237,399)	87,793
Dividend income		953,551	876,805
Other income		100	-
Net cash flows from investing activities		1,250,460	669,692
Net (decrease)/increase in cash and cash equivalents		(43,057)	226,447
Cash and cash equivalents at 6 April		650,540	424,093
Cash and cash equivalents at 5 April		607,483	650,540

All of the cash flows are derived from continuing operations during the above two periods.

Cashflow restrictions
Charity law prohibits the use of net cash inflows on any endowed or other restricted fund to offset net cash outflows on any fund outside its own Objects, except on special authority. In practice, this restriction has not had any effect on cash flows for the year.

Notes to the Financial Statements for the Year Ended 5 April 2023

1 Charity status

The Heathcoat Trust is a charity registered in England within the United Kingdom.

The address of its registered office is;
The Factory
West Exe
Tiverton
Devon
EX16 5LL

2 Accounting policies

Statement of compliance
The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation
The Heathcoat Trust meets the definition of a public benefit entity under FRS 102. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

Going concern
The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments
Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure
All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Support costs
Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs
These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Taxation
The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fixed asset investments
Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Current asset investments
Current asset investments are included at the lower of cost and net realisable value / market value.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Fund structure
General unrestricted funds comprise accumulated surpluses and deficits on general funds and cumulative realised and unrealised gains on revaluations of investments. They are available for use at the discretion of the Trustees in furtherance of the charity's objectives.

The charity has an endowment, which it is legally prevented from spending and must retain intact. It has invested the endowment to provide income for its activities.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

3 Income from donations and legacies

	Total 2023 £	Total 2022 £
Donations and legacies;		
Donations from individuals	-	1,856
	-	1,856

All 2022 donations were unrestricted

4 Investment income

	Unrestricted funds General £	Total 2023 £
Interest receivable on bank deposits	11,183	11,183
Income from listed investments	870,194	870,194
Income from other investments	72,174	72,174
	953,551	953,551

	Unrestricted funds General £	Total 2022 £
Interest receivable on bank deposits	39	39
Income from listed investments	804,631	804,631
Income from other investments	72,174	72,174
	876,844	876,844

5 Expenditure on raising funds

Investment management costs

	Unrestricted funds General £	Endowment funds Permanent £	Total 2023 £
Other investment management costs;			
Other portfolio management costs	16,339	94,126	110,465
	16,339	94,126	110,465

	Unrestricted funds General £	Endowment funds Permanent £	Total 2022 £
Other investment management costs;			
Other portfolio management costs	29,132	125,891	155,023
	29,132	125,891	155,023

6 Expenditure on charitable activities

	Grant funding of activity £	Activity support costs £	2023 £
Employees in sickness	360	10	370
Chiropody	22,398	642	23,040
Consolidated grant	327,359	9,386	336,745
Charitable organisations and general	70,388	2,055	72,443
Educational bodies	174,968	5,017	179,985
In case of hardship	2,804	80	2,884
Hospital visits	32,325	927	33,252
Death grants	62,000	1,778	63,778
Communication Grants	525	15	540
Opticians charges	19,180	550	19,730
Dentists charge	16,768	481	17,249
Governance costs	-	14,701	14,701
	729,075	35,642	764,717

	Grant funding of activity £	Activity support costs £	2022 £
Employees in sickness	450	15	465
Chiropody	18,448	595	19,043
Consolidated grant	274,541	8,855	283,396
Charitable organisations and general	80,637	2,481	83,118
Educational bodies	155,774	5,024	160,798
In case of hardship	2,563	83	2,646
Hospital visits	20,051	647	20,698
Death grants	28,000	903	28,903
Communication Grants	670	22	692
Opticians charges	22,689	732	23,421
Dentists charge	11,887	383	12,270
Governance costs	-	15,784	15,784
	615,710	35,524	651,234

7 Analysis of governance and support costs

Analysis of support costs

	Total 2023 £	Total 2022 £
Salary	16,607	15,694
Pension	913	863
Employer's NIC	1,182	1,047
Rent and telephone	379	370
Insurance	202	174
Stationery	221	355
Gratuities	100	75
Bank charges	1,337	1,162
Governance costs	14,701	15,784
	35,642	35,524

Governance costs

	Total 2023 £	Total 2022 £
Staff costs		
Wages and salaries	5,536	5,231
Social security costs	394	349
Pension costs	304	288
Audit fees		
Audit of the financial statements	8,400	9,858
Other governance costs	67	58
	14,701	15,784

8 Charitable organisations and general - grants of £1,000 or more payable and committed to institutions during the year

	2023 £	2022 £
Tiverton		
Bounce Brighter Future	-	1,000
Churches Housing Action Team	1,000	1,000
Citizens Advice Mid Devon	1,000	-
Hospicecare Pine Lodge	1,000	1,000
Libraries Unlimited SW	1,500	-
Moors Youth Football Club	1,000	1,000
St Pauls Church	5,000	-
Sustainable Tiverton	-	1,823
The Willow Tree Dance & Theatre Arts	1,375	-
Tiverton Junior Operatic Club	1,500	1,500
Tiverton Rugby FC	-	2,000
Tiverton Swimming Club	2,000	-
Tiverton Town FC	-	2,000
Tiverton Youth Orchestra	1,000	1,000
Tiverton & District Scout Council	1,000	1,000
Twyford Spartans FC	-	1,500
Unite Carers in Mid Devon	1,000	1,000
Westexe Sports & Social Club	1,000	2,000
	19,375	17,823
General		
BASICS Devon	-	1,000
Beacon Church New Buildings	-	1,500
Blackdown Hills Transition Group	1,000	-
Bolham Primary School	-	1,000
Children's Hospice SW	1,000	1,360
Cornwall Hospice Care	-	1,500
Exeter Leukaemia Fund	1,750	1,750
Force Cancer Charity	1,500	1,500
Holcombe Rogus Parish Council	-	5,000
Listening Books	1,000	1,000
Little Hero	-	5,000
Macmillan Cancer Support	1,000	-
North Dartmoor Search & Rescue	3,750	-
North Devon Hospice	-	1,165
PCC Butterleigh Church	-	5,000
PCC Sampford Peverell Church	1,250	-
Uplowman Primary School	-	1,700

	2023 £	2022 £
	12,250	28,475

9 Trustees remuneration and expenses

Mr Mark Drysdale
£39 (2022: £Nil) in respect of grants were paid to Mr Mark Drysdale during the year.

Mr Lee Sellens (resigned 05/09/23)
£30 (2022: £24) in respect of grants were paid to Mr Lee Sellens during the year.

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year (2022:Nil).

No trustees have received any other benefits from the charity during the year.

The amount expenses waived by the trustees during the year totalled £Nil (2022 - £Nil).

10 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
Staff costs during the year were:		
Wages and salaries	22,143	20,925
Social security costs	1,577	1,397
Pension costs	1,216	1,152
	24,936	23,474

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year was as follows:

	2023 No	2022 No
Employee	1	1

No employee received emoluments of more than £60,000 during the year or the previous year.

The total employee benefits of the key management personnel of the charity were £Nil (2022 - £Nil).

11 Auditors' remuneration

	2023 £	2022 £
Audit of the financial statements	8,400	9,858

12 Taxation

The charity is a registered charity and is therefore exempt from taxation.

13 Fixed asset investments

	2023 £	2022 £
Investments	26,758,990	28,574,792

Other investments

(A) Reconciliation of investments

	Unrestricted fund £	Permanent Endowment £	2023 £	2022 £
Cost or Valuation				
At 6 April 2022	4,775,665	23,435,867	28,211,532	26,661,410
Additions	1,210,331	2,303,601	3,513,932	7,584,761
Disposals at market value	(1,148,519)	(2,899,621)	(4,048,140)	(7,289,816)
Net unrealised gains/(losses)	(192,443)	(1,326,550)	(1,518,993)	1,255,177
At 5 April 2023	4,645,034	21,513,297	26,158,331	28,211,532
Cash held as part of investment portfolio	95,308	505,351	600,659	363,260
Transfer between funds - Endowment	8,556	(8,556)	-	-
	4,748,898	22,010,092	26,758,990	28,574,792
Fixed assets	-	22,010,092	22,010,092	23,718,470
Current assets	4,748,898	-	4,748,898	4,856,322
	4,748,898	22,010,092	26,758,990	28,574,792

(B) Analysis of investments

	Unrestricted funds £	Permanent Endowment £	2023 £	2022 £
Special range permanent fund	-	1,996,024	1,996,024	2,027,220
Permanent fund	-	19,517,273	19,517,273	21,408,647
Expendable fund	4,645,034	-	4,645,034	4,775,665
	4,645,034	21,513,297	26,158,331	28,211,532
Cash held as part of investment fund	95,308	505,351	600,659	363,260
Transfer between funds	8,556	(8,556)	-	-
	103,864	496,795	600,659	363,260
	4,748,898	22,010,092	26,758,990	28,574,792

Investments listed on recognised stock exchange	4,645,034	19,517,273	24,162,307	26,184,312
Unlisted investments - associated undertakings	-	1,996,024	1,996,024	2,027,220
Cash held as part of investment portfolio	95,308	505,351	600,659	363,260
Transfer between funds	8,556	(8,556)	-	-
	4,748,898	22,010,092	26,758,990	28,574,792
Historical cost	4,482,773	18,378,861	22,861,634	23,088,535

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held 2023	Proportion of voting rights and shares held 2022	Principal activity
Significant holdings					
Lowman Manufacturing Company Ltd	UK	2,447,190 ord 25p	22.97%	22.97%	
John Heathcoat & Company (Holdings) Ltd	UK	103,987 3.5% Cumulative Preference shares	37.8%	37.8%	

14 Debtors

	2023 £	2022 £
Other debtors	70,085	56,787

15 Cash and cash equivalents

	2023 £	2022 £
Cash at bank	607,483	650,540

16 Creditors: amounts falling due within one year

	2023 £	2022 £
Other creditors	2,750	4,025
Accruals	8,400	7,200
	11,150	11,225

17 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £1,216 (2022 - £1,152).

18 Charitable commitments

At the balance sheet date, there were outstanding commitments for future financial support to institutions fulfilling certain conditions,

	2023 £	2022 £
1st Hemyock Scout Group	-	1,000
Bampton Over 60's Club	-	700
Honiton 729 Club	-	250
St Margaret's Church	1,750	-
Tiverton Community Arts	200,000	200,000
Tiverton High School	1,000	-
Tiverton Swimming Club	-	1,000
	202,750	202,950

In addition, pledges of continued support with education grants have been made to individuals by the trustees for 2023/24: these amounted to £148,176 (2022: £132,161) at the balance sheet date, together with an unquantifiable contingency relating to school fees for a number of pupils.

These commitments have not yet been provided for in the financial statements, as they are conditional.

19 Funds

Notes to the Financial Statements for the Year Ended 5 April 2023 (continued)

	Balance at 6 April 2022 £	Income £	Expenditur £	Other recognised gains/(losses) £	Balance at 5 April 2023 £
Unrestricted funds					
General					
General Funds	5,552,424	953,651	(781,056)	(309,703)	5,415,316
Endowment funds					
Permanent					
Permanent Funds	23,718,470	-	(94,126)	(1,614,252)	22,010,092
Total funds	29,270,894	953,651	(875,182)	(1,923,955)	27,425,408

	Balance at 6 April 2021 £	Income £	Expenditur £	Other recognised gains/(losses) £	Balance at 5 April 2022 £
Unrestricted funds					
General					
General Funds	5,099,700	878,700	(680,366)	254,390	5,552,424
Endowment funds					
Permanent					
Permanent Funds	22,486,569	-	(125,891)	1,357,792	23,718,470
Total funds	27,586,269	878,700	(806,257)	1,612,182	29,270,894

20 Analysis of net assets between funds

	Unrestricted funds General £	Endowment funds Permanent £	Total funds at 5 April 2023 £
Fixed asset investments	-	22,010,092	22,010,092
Current assets	5,426,466	-	5,426,466
Current liabilities	(11,150)	-	(11,150)
Total net assets	5,415,316	22,010,092	27,425,408

	Unrestricted funds General £	Endowment funds Permanent £	Total funds at 5 April 2022 £
Fixed asset investments	-	23,718,470	23,718,470
Current assets	5,563,649	-	5,563,649
Current liabilities	(11,225)	-	(11,225)
Total net assets	5,552,424	23,718,470	29,270,894

21 Analysis of net funds

	At 6 April 2022 £	Financing cash flows £	At 5 April 2023 £
Cash at bank and in hand	650,540	(43,057)	607,483
Net funds	650,540	(43,057)	607,483

	At 6 April 2021 £	Financing cash flows £	At 5 April 2022 £
Cash at bank and in hand	424,093	226,447	650,540
Net funds	424,093	226,447	650,540

22 Related party transactions

There were no related party transactions in the year.

THE HEATHCOAT TRUST

England & Wales - Charity number 203367

Accounts

CHARITY REGISTRATION NUMBER: 203367

The Heathcoat Trust

Financial Statements

5 April 2022

The Heathcoat Trust

Financial Statements

Year ended 5 April 2022

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The Heathcoat Trust

Trustees' Annual Report

Year ended 5 April 2022

The trustees present their report and the financial statements of the charity for the year ended 5 April 2022.

Reference and administrative details

Registered charity name	The Heathcoat Trust
Charity registration number	203367
Principal office	The Factory West Exe Tiverton Devon EX16 5LL
The trustees	Sir Ian Heathcoat Amory, Bt. DL. Mr John Smith Mr Mark Drysdale Mrs Susan Westlake Mr Julian Morgan Miss Bryony Pullen (left 30/07/2021) Mr Lee Sellens (appointed 30/07/2021)
Secretary to the Trustees	Mrs Helen Isaac
Auditor	Westcotts (SW) LLP Chartered accountants & statutory auditor 26-28 Southernhay East Exeter Devon EX1 1NS
Bankers	National Westminster 11 Fore Street Tiverton Devon EX16 6LW
Solicitors	Ashfords LLP Ashford House Grenadier Road Exeter EX1 3LH

Structure, governance and management

Trustees

Appointment of trustees is governed by the constitution of the charity. The trustees are appointed as follows:

1. There should be one ex-officio trustee who should be the person from time to time and for the time being holding the Heathcoat Amory Baronetcy, if of full age and willing to act. If unwilling to act the ex-officio trustee may appoint some other fit person to be a trustee to hold office in his place for so long as he thinks fit.

2. Four Nominative Trustees, appointed as follows:
One by the Board of Directors of John Heathcoat and Company Limited.
One by the Board of Directors of Lowman Manufacturing Company Limited.
One by the majority of employees of John Heathcoat and Company Limited.
One by the majority of employees of Lowman Manufacturing Company Limited.

3. There should be a co-opted trustee who is appointed by the other trustees.

Any vacancies at the year end will be considered by the trustees.

When new Trustees are appointed they are given a formal induction to the work of the Trust and provided with the information they need to fulfil their roles, which include information about the role of Trustees and charity law.

The charity is governed by a Trust Deed dated 14 October 1945 amended by a Scheme made by the Charity Commission on 14 September 1973, and Orders made by the Charity Commission on 25 November 1993 and 13 April 1999.

Objectives and activities

The Trust Deed, as amended by the Order dated 13 April 1999, provides that the charity's income shall be applied:

(a) for the relief of financial hardship,
(b) for education and training,
(c) for building or making grants to health institutions, and
(d) in certain circumstances for making contributions to any charity but mostly in Tiverton in Devon, its neighbourhood or in places where the firms John Heathcoat and Company Limited and Lowman Manufacturing Company Limited and their subsidiaries carry on business.
(e) in so far as it cannot be applied towards the objects specified in the Trust Deed, it may be applied for any charitable purpose.

The Trustees consider that the Charity's activities during the year satisfy the Charity Commission's guidance on public benefit.

Objectives and performance

The objective of the Charity is to make financial contributions to people and institutions in fulfilment of the provisions of the Trust Deed as above.

To further this objective, the trustees meet regularly to consider applications for grants. The Trust is not designed to set up initiatives of its own, thus the trustees rely on applications to which they respond.

In the year under review, grants of £615,710 were distributed and the accumulated undistributed income increased by £452,724 after taking into account realised and unrealised gains/(losses) on the unrestricted fund.

The trustees consider that making grants to pensioners and local organisations in this way satisfies the Charity Commission's guidance on public benefit.

Financial review

The financial statements comply with current statutory requirements and the charity's governing documents. The charity's donations are made annually with conditional and unconditional commitments continuing into succeeding years. The charity's investments are professionally managed and give the charity a strong financial base.

Reserves policy

The reserve fund represents unrestricted funds arising from historic unspent income. Currently the trustees are looking to respond to as many incoming qualifying applications as possible, expending all income received during the year as well as amounts from the reserve fund if necessary. The balance is held towards the possibility of funding a large project within the Trust's objectives in the future. The trustees consider the reserve fund to be sufficient for the time being but as unrealised gains and losses are reflected through this fund its value will fluctuate with market conditions at each year end.

The endowment fund is a restricted fund under terms of the trust deed and must be held permanently. Its purpose is to ensure a suitable income stream to finance the ongoing work of the charity within its charitable objectives. It is represented by unlisted investments as set out in Note 14, and a portfolio of investments that are managed by the investment managers. The investment managers have been given discretionary power to acquire and dispose of investments within the policy set by the trustees.

Investment powers

The constitution authorises the trustees to make and hold investments using the funds of the charity. Investments are held with Rathbone Investment Management at 8 Finsbury Circus, London, EC2M 7AZ, and Brewin Dolphin at 12 Smithfield Street, London, EC1A 9LA, who are the charity's investment managers.

Investment policy

The policy is to adopt a medium risk investment strategy with a balance between capital growth and income which should not be below 3% of the portfolio value if achievable.

The charity has a participating interest in two unlisted companies. Details of these share holdings are shown in Note 14.

The Trust takes advice from our Investment Managers as to the most appropriate investments we should have, including whether social, environmental or ethical considerations should be taken into account.

The performance of our Investment Managers is reviewed annually by the trustees and compared to relevant published indices as well as benchmarks of investment market comparators.

Grants

The charity invites local institutions and individuals to make applications for grants for suitable projects.

Risk review

The trustees have conducted a review of the major risks to which the charity is exposed and confirm that systems have been established to enable regular reports so that the necessary steps can be taken to lessen these risks.

The trustees are alert to, and have considered, the impact of the global health emergency caused by the outbreak of COVID-19 during the year. We have reviewed the risks to the business arising from an anticipated reduction in income for the subsequent period and our assessment is that the charity will have sufficient funds to meet the planned expenditure and any exceptional requests that are approved. The trustees have also taken all reasonable actions to safeguard the charity's stakeholders, including staff and beneficiaries.

Plans for future periods

The trustees intend to further the objects of the charity by continuing to make grants and donations to suitable projects.

Trustees' responsibilities statement

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 charity trustees to prepare financial statements for each 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 period.

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 applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 applicable Charities (Accounts and Reports) Regulations, 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 trustees' annual report was approved on 23.11.22 and signed on behalf of the board of trustees by:

Sir Ian Heathcoat Amory, Bt. DL.
Trustee

The Heathcoat Trust

Independent Auditor's Report to the Members of The Heathcoat Trust

Year ended 5 April 2022

Opinion

We have audited the financial statements of The Heathcoat Trust (the 'charity') for the year ended 5 April 2022 which comprise the statement of financial activities, statement of financial position, statement of cash flows and the related notes, 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 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 2022 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;
- 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. 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.

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities 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 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.

Auditor's 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management. We communicated identified laws and regulations throughout our team, and remained alert to any indications of non-compliance throughout the audit.
- The company is subject to laws and regulations that govern the preparation of the financial statements, including financial reporting legislation, and other charities legislation. The charity is also subject to other laws and regulations where the consequences of non-compliance could have a material impact on the amounts or disclosures within the financial statements, including employment, anti-bribery, anti-money laundering and certain aspects of charities legislation including public benefit consideration.

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 auditing standards. In any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's members, 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 members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Westcotts (SW) LLP

11 January 2023

Shona Godefroy FCCA (Senior Statutory Auditor)

For and on behalf of
Westcotts (SW) LLP
Chartered accountant and statutory auditor
26-28 Southernhay East
Exeter
Devon
EX1 1NS

The Heathcoat Trust

Statement of Financial Activities

Year ended 5 April 2022

	Note	2022 Unrestricted funds £	2022 Endowment funds £	Total funds £
Income and endowments				
Donations and legacies		1,856	-	**1,856**
Investment income	4	876,844	–	**876,844**
Total income		878,700	–	**878,700**
Expenditure				
Expenditure on raising funds:				
Investment management costs	5	29,132	125,891	**155,023**
Expenditure on charitable activities	6	651,234	–	**651,234**
Total expenditure		680,366	125,891	**806,257**
Net gains/(losses) on investments	9	254,390	1,357,792	**1,612,182**
Net income/(expenditure) and net movement in funds		452,724	1,231,901	**1,684,625**
Reconciliation of funds				
Total funds brought forward		5,099,700	22,486,569	**27,586,269**
Total funds carried forward	17	5,552,424	23,718,470	**29,270,894**

The Statement of Financial Activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 14 to 27 form part of these financial statements.

The Heathcoat Trust

Statement of Financial Activities

Year ended 5 April 2021

	2021		
	Unrestricted funds £	Endowment funds £	**Total funds £**
Income and endowments			
Investment income	683,481	–	**683,481**
Total income	683,481	–	**683,481**
Expenditure			
Expenditure on raising funds:			
Investment management costs	20,391	96,775	**117,166**
Expenditure on charitable activities	658,169	–	**658,169**
Total expenditure	678,560	96,775	**775,335**
Net gains/(losses) on investments	785,844	3,715,155	**4,500,999**
Net income/(expenditure) and net movement in funds	790,765	3,618,380	**4,409,145**
Reconciliation of funds			
Total funds brought forward	4,308,935	18,868,189	**23,177,124**
Total funds carried forward	5,099,700	22,486,569	**27,586,269**

The notes on pages 14 to 27 form part of these financial statements.

The Heathcoat Trust

Statement of Financial Position

5 April 2022

	Note	2022 £	£	2021 £
Fixed assets				
Investments	14		23,718,470	22,486,569
Current assets				
Debtors	13	56,787		57,213
Investments	14	4,856,322		4,625,894
Cash at bank and in hand		650,540		424,093
		5,563,649		5,107,200
Creditors: amounts falling due within one year	15	11,225		7,500
Net current assets			5,552,424	5,099,700
Total assets less current liabilities			29,270,894	27,586,269
Net assets			29,270,894	27,586,269
Funds of the charity				
Endowment funds			23,718,470	22,486,569
Unrestricted funds			5,552,424	5,099,700
Total charity funds	18		29,270,894	27,586,269

These financial statements were approved by the board of trustees and authorised for issue on 23.10.22 and are signed on behalf of the board by:

Sir Ian Heathcoat Amory, Bt. DL.
Trustee

The notes on pages 14 to 27 form part of these financial statements.

The Heathcoat Trust

Statement of Cash Flows

Year ended 5 April 2022

	2022 £	2021 £
Cash flows from operating activities		
Net income/(expenditure)	**1,684,625**	4,409,145
Adjustments for:		
Net gains/(losses) on investments	**(1,255,177)**	(3,802,555)
Dividends, interest and rents from investments	**(876,805)**	(683,402)
Other interest receivable and similar income	**(39)**	(79)
Accrued expenses	**-**	1,326
Changes in:		
Trade and other debtors	**426**	(2,540)
Trade and other creditors	**3,725**	(18,698)
Cash generated from operations	**(443,245)**	(96,803)
Interest received	**39**	79
Net cash used in operating activities	**(443,206)**	(96,724)
Cash flows from investing activities		
Dividends, interest and rents from investments	**876,805**	683,402
Purchases of other investments	**(7,584,761)**	(8,130,838)
Proceeds from sale of other investments	**7,289,816**	6,852,887
Portfolio cash movements	**87,793**	698,374
Net cash from investing activities	**669,653**	103,825
Net increase in cash and cash equivalents	**226,447**	7,101
Cash and cash equivalents at beginning of year	**424,093**	416,992
Cash and cash equivalents at end of year	**650,540**	424,093

Cashflow restrictions

Charity law prohibits the use of net cash inflows on any endowed or other restricted fund to offset net cash outflows on any fund outside its own Objects, except on special authority. In practice, this restriction has not had any effect on cash flows for the year.

The notes on pages 14 to 27 form part of these financial statements.

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is The Factory, West Exe, Tiverton, Devon, EX16 5LL.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds
General unrestricted funds comprise accumulated surpluses and deficits on general funds and cumulative realised and unrealised gains on revaluations of investments. They are available for use at the discretion of the Trustees in furtherance of the charity's objectives.

Endowment funds
The charity has an endowment, which it is legally prevented from spending and must retain intact. It has invested the endowment to provide income for its activities.

3. **Accounting policies** *(continued)*

Income

All income is included in the Statement of Financial Activities when the charity is entitled to the income, any performance related conditions attached have been met or are fully within the control of the charity, the income is considered probable and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Investment income is included when receivable.

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

Costs of generating funds comprise those costs directly attributable to managing the investment portfolio.

Costs of charitable activities include grants made and an apportionment of overhead and support costs. Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grant only being recognised as expenditure when the conditions attaching are fulfilled. Grants offered, subject to conditions, which have not been met at the year-end, are noted as a commitment, but not accrued as expenditure.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management.

Governance costs comprise all costs incurred in the running of the charity itself as an organisation and it's compliance with regulation and good practice.

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

3. **Accounting policies** *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Investment income

	Unrestricted Funds	**Total Funds 2022**	Unrestricted Funds	Total Funds 2021
	£	**£**	£	£
Income from listed investments	804,631	**804,631**	679,762	679,762
Income from other investments	72,174	**72,174**	3,640	3,640
Bank interest receivable	39	**39**	79	79
	876,844	**876,844**	683,481	683,481

5. Investment management costs

	Unrestricted Funds	Endowment Funds	**Total Funds 2022**
	£	£	**£**
Portfolio management	29,132	125,891	**155,023**

	Unrestricted Funds	Endowment Funds	Total Funds 2021
	£	£	£
Portfolio management	20,391	96,775	117,166

6. Expenditure on charitable activities by activity type

	Grant funding of activities	Support costs	**Total funds 2022**
	£	£	**£**
Employees in sickness	450	15	**465**
Chiropody	18,448	595	**19,043**
Consolidated grant	274,541	8,855	**283,396**
Charitable organisations and general	80,637	2,481	**83,118**
Educational bodies	155,774	5,024	**160,798**
In case of hardship	2,563	83	**2,646**
Hospital visits	20,051	647	**20,698**
Death grants	28,000	903	**28,903**
Communication Grants	670	22	**692**
Telephone	-	-	**-**
Opticians charges	22,689	732	**23,421**
Dentists charge	11,887	383	**12,270**
Governance costs	-	15,784	**15,784**
	615,710	35,524	**651,234**

	Grant funding of activities	Support costs	Total funds 2021
	£	£	£
Employees in sickness	570	18	588
Chiropody	14,184	476	14,660
Consolidated grant	283,158	9,488	292,646
Charitable organisations and general	65,840	2,834	68,674
Educational bodies	178,130	5,970	184,100
In case of hardship	2,985	99	3,084
Hospital visits	12,526	419	12,945
Death grants	39,000	1,307	40,307
Communication Grants	900	30	930
Telephone	60	2	62
Opticians charges	19,795	663	20,458
Dentists charge	7,407	248	7,655
Governance costs	-	12,060	12,060
	624,555	33,614	658,169

6. Expenditure on charitable activities by activity type *(continued)*

Grants payable b/f at 6 April 2021	(300)	(18,998)
Grants paid during the year	611,985	643,253
Grants payable c/f at 5 April 2022	4,025	300
Grants payable for the year	615,710	624,555

Grants at 5 April are payable as follows:

Within one year (note 15)	4,025	300
	4,025	300

7. Analysis of support costs

	2022	2021
	£	£
Salary	15,694	16,414
Pension	863	903
Employer's NIC	1,047	1,087
Rent and telephone	370	370
Repairs, maintenance and equipment	-	1,025
Insurance	174	170
Stationery	355	432
Gratuities	75	75
Bank charges	1,162	1,078
Governance costs	15,784	12,060
	35,524	33,614

Governance costs

	2022	2021
	£	£
Salaries and wages	5,231	5,472
Employer's NIC	349	362
Premises costs	58	57
Audit fees	9,858	5,868
Other pension costs	288	301
	15,784	12,060

8. **Charitable organisations and general - grants of £1,000 or more payable and committed to institutions during the year were:**

Tiverton

	Number	2022 £		2021 £
Bounce Brighter Future	1	**1,000**		-
Churches Housing Action Team	1	**1,000**		1,000
Devon Community Foundation	-	**-**		15,000
Hospiscare Pine Lodge	1	**1,000**		1,000
Mid Devon Mobility	-	**-**		1,000
Moors Youth Football Club	1	**1,000**		-
Sustainable Tiverton	1	**1,823**		-
Tiverton Girl Guide HQ Management	-	**-**		1,000
Tiverton Junior Operatic Club	1	**1,500**		1,000
Tiverton Museum	-	**-**		5,000
Tiverton Rugby FC	1	**2,000**		-
Tiverton Swimming Club	-	**-**		1,000
Tiverton Town FC	1	**2,000**		-
Tiverton Youth Orchestra	-	**1,000**		1,000
Tiverton & District Scout Council	1	**1,000**		-
Twyford Spartans FC	1	**1,500**		-
Unite Carers in Mid Devon	1	**1,000**		-
Westexe Sports & Social Club	2	**2,000**		2,000
	13	**17,823**	11	29,000

General

	Number	2022		2021
		£		£
BASICS Devon	1	**1,000**		-
Beacon Church New Buildings	1	**1,500**		1,000
Bolham Primary School	1	**1,000**		-
Children's Hospice SW	1	**1,360**		-
Cullompton Family Centre	-	-		1,000
Cornwall Hospice Care	1	**1,500**		-
Dulverton Heritage Centre	-	-		2,500
Exeter Leukaemia Fund	1	**1,750**		1,750
Force Cancer Charity	1	**1,500**		1,500
Holcombe Rogus Parish Council	1	**5,000**		-
Listening Books	1	**1,000**		1,000
Little Hero	1	**5,000**		-
Macmillan Cancer Support	-	-		1,000
North Devon Hospice	1	**1,165**		-
PCC Butterleigh Church	1	**5,000**		-
Stoodleigh Parish Hall	-	-		1,000
Uplowman Primary School	1	**1,700**		2,000
	13	**28,475**	9	12,750
Other grants		**34,339**		24,090
		80,637		65,840

9. Net gains/(losses) on investments

	Unrestricted Funds	Endowment Funds	**Total Funds 2022**
	£	£	**£**
Other gains/(losses)	254,390	1,357,792	**1,612,182**

	Unrestricted Funds	Endowment Funds	Total Funds 2021
	£	£	£
Other gains/(losses)	785,844	3,715,155	4,500,999

10. Auditors remuneration

	2022	2021
	£	£
Fees payable for the audit of the financial statements	**9,858**	5,868

11. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2022	2021
	£	£
Wages and salaries	20,925	21,886
Social security costs	1,395	1,449
Employer contributions to pension plans	1,151	1,204
	23,471	24,539

The average head count of employees during the year was 1 (2021: 1).

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

Key management personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the Charity. The total compensation paid to key management personnel for services provided to the Charity was £nil (2021: £nil).

12. Trustee remuneration and expenses

The trustees received remuneration of £nil (2021: £nil) in total in the form of fees during the year.

No trustees were reimbursed or waived expenses during the year or the previous year.

13. Debtors

	2022	2021
	£	£
Other debtors	56,787	57,213

14. Investments

	2022	2021
	£	£
Investments	28,574,792	27,112,463

14. Investments *(continued)*

(A)Reconciliation of investments

	Unrestricted fund £	Permanent endowment £	2022 £
Market value at 6 April 2021	4,529,490	22,131,920	26,661,410
Additions at cost	1,556,588	6,028,173	7,584,761
Disposals at market value	(1,478,610)	(5,811,206)	(7,289,816)
Net unrealised gains/(losses)	168,197	1,086,980	1,255,177
Market value at 5 April 2022	4,775,665	23,435,867	28,211,532
Cash held as part of investment portfolio	75,636	287,624	363,260
Transfer between funds 2021/22	5,021	(5,021)	–
	4,856,322	23,718,470	28,574,792

	Unrestricted funds £	Permanent endowment £	2022 £
Fixed assets	–	23,718,470	23,718,470
Current assets	4,856,322	–	4,856,322
	4,856,322	23,718,470	28,574,792

(B) Analysis of investments

	Unrestricted fund £	Permanent endowment £	2022 £
Special range permanent fund	–	2,027,220	2,027,220
Permanent fund	–	21,408,647	21,408,647
Expendable fund	4,775,665	–	4,775,665
	4,775,665	23,435,867	28,211,532
Cash held as part of investment fund	75,636	287,624	363,260
Transfer between funds – 2021/22	5,021	(5,021)	–
	4,856,322	23,718,470	28,574,792

	Unrestricted fund £	Permanent fund £	2022 £
Invs listed on recognised stock exchange	4,775,665	21,408,647	26,184,312
Unlisted investments - associated undertakings	–	2,027,220	2,027,220
Cash held as part of investment portfolio	75,636	287,624	363,260
Transfer between funds – 2021/22	5,021	(5,021)	–
	4,856,322	23,718,470	28,574,792
Historical cost at 5 April 2022	4,371,486	18,717,049	23,088,535

14. Investments *(continued)*

(A)Reconciliation of investments

	Unrestricted fund £	Permanent endowment £	2021 £
Market value at 6 April 2020	3,560,108	18,020,796	21,580,904
Additions at cost	1,557,433	6,573,405	8,130,838
Disposals at market value	(1,227,977)	(5,624,910)	(6,852,887)
Net unrealised gains/(losses)	639,926	3,162,629	3,802,555
Market value at 5 April 2021	4,529,490	22,131,920	26,661,410
Cash held as part of investment portfolio	98,226	352,827	451,053
Transfer between funds 2020/21	(1,822)	1,822	–
	4,625,894	22,486,569	27,112,463

	Unrestricted funds £	Permanent endowment £	2021 £
Fixed assets	–	22,486,569	22,486,569
Current assets	4,625,894	–	4,625,894
	4,625,894	22,486,569	27,112,463

(B) Analysis of investments

	Unrestricted fund £	Permanent endowment £	2021 £
Special range permanent fund	–	2,027,220	2,027,220
Permanent fund	–	20,104,700	20,104,700
Expendable fund	4,529,490	–	4,529,490
	4,529,490	22,131,920	26,661,410
Cash held as part of investment fund	98,226	352,827	451,053
Transfer between funds - 2020/21	(1,822)	1,822	–
	4,625,894	22,486,569	27,112,463

	Unrestricted fund £	Permanent fund £	2021 £
Invs listed on recognised stock exchange	4,529,490	20,104,700	24,634,190
Unlisted investments - associated undertakings	–	2,027,220	2,027,220
Cash held as part of investment portfolio	98,226	352,827	451,053
Transfer between funds - 2020/21	(1,822)	1,822	–
	4,625,894	22,486,569	27,112,463
Historical cost at 5 April 2021	4,138,216	17,556,196	21,694,412

14. Investments *(continued)*

Holdings of 20% or more
Significant Interests

	Country of registration/ incorporation	Proportion Shares held Class	Proportion of shares held
Lowman Manufacturing Company Ltd	UK	2,477,190 ord 25p	22.97%
John Heathcoat & Company (Holdings) Ltd 3.5% Cumulative Preference shares	UK	103,987	37.80%

15. Creditors: amounts falling due within one year

	2022	2021
	£	£
Accruals and deferred income	7,200	7,200
Other creditors	4,025	300
	11,225	7,500

16. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £1,151 (2021: £1,204).

17. Analysis of charitable funds

Expendable unrestricted funds

	At 6 April 2021 £	Income £	Expenditure £	Gains and losses £	At **5 April 2022** **£**
General funds	5,099,700	878,700	(680,366)	254,390	**5,552,424**

	At 6 April 2020 £	Income £	Expenditure £	Gains and losses £	At 5 April 2021 £
General funds	4,308,935	683,481	(678,560)	785,884	5,099,700

Permanent Endowment funds

	At 6 April 2021 £	Income £	Expenditure £	Gains and losses £	At **5 April 2022** **£**
Permanent Endowment Fund	22,486,569	–	(125,891)	1,357,792	**23,718,470**

	At 6 April 2020 £	Income £	Expenditure £	Gains and losses £	At 5 April 2021 £
Permanent Endowment Fund	18,868,189	–	(96,775)	3,715,155	22,486,569

18. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2022** **£**
Investments	–	23,718,470	**23,718,470**
Current assets	5,563,649	–	**5,563,649**
Creditors less than 1 year	(11,225)	–	**(11,225)**
Creditors greater than 1 year	–	–	–
Net assets	5,552,424	23,718,470	**29,270,894**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Investments	–	22,486,569	22,486,569
Current assets	5,107,200	–	5,107,200
Creditors less than 1 year	(7,500)	–	(7,500)
Creditors greater than 1 year	–	–	–
Net assets	5,099,700	22,486,569	27,586,269

19. Analysis of changes in net debt

	At 6 Apr 2021	Cash flows	**At 5 Apr 2022**
	£	£	**£**
Cash at bank and in hand	424,093	226,447	**650,540**
Current asset investments	4,625,894	230,428	**4,856,322**
	5,049,987	456,875	**5,506,862**

	At 6 Apr 2020	Cash flows	At 5 Apr 2021
	£	£	£
Cash at bank and in hand	416,992	7,101	424,093
Current asset investments	3,862,142	763,752	4,625,894
	4,279,134	770,853	5,049,987

20. Charitable commitments

At the balance sheet date, there were outstanding commitments for future financial support to institutions fulfilling certain conditions.

	2022	2021
	£	£
1st Hemyock Scout Group	1,000	-
Bampton Over 60's Club	700	-
Honiton 729 Club	250	-
Tiverton Community Arts	200,000	200,000
Tiverton Swimming Club	1,000	-
	202,950	200,000

In addition, pledges of continued support with education grants have been made to individuals by the trustees for 2022/23: these amounted to £132,161 (2021: £142,117) at the balance sheet date, together with an unquantifiable contingency relating to school fees for a number of pupils.

These commitments have not yet been provided for in the financial statements, as they are conditional.

21. Related parties

There were no related party transactions, other than those already disclosed throughout the notes in the financial statements.

THE HEATHCOAT TRUST

England & Wales - Charity number 203367

Accounts

CHARITY REGISTRATION NUMBER: 203367

The Heathcoat Trust

Financial Statements

5 April 2021

The Heathcoat Trust

Financial Statements

Year ended 5 April 2021

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The Heathcoat Trust

Trustees' Annual Report

Year ended 5 April 2021

The trustees present their report and the financial statements of the charity for the year ended 5 April 2021.

Reference and administrative details

Registered charity name	The Heathcoat Trust
Charity registration number	203367
Principal office	The Factory West Exe Tiverton EX16 5LL Devon
The trustees	Sir Ian Heathcoat Amory, Bt. DL. Mr John Smith Mr Mark Drysdale Mrs Susan Westlake Mr Julian Morgan Miss Bryony Pullen
Secretary to the Trustees	Mrs Helen Isaac
Auditor	Thomas Westcott Chartered accountants & statutory auditor 26-28 Southernhay East Exeter Devon EX1 1NS
Bankers	National Westminster 11 Fore Street Tiverton Devon EX16 6LW
Solicitors	Ashfords Gotham House Tiverton Devon EX16 6LT

Structure, governance and management

Trustees

Appointment of trustees is governed by the constitution of the charity. The trustees are appointed as follows:

1. There should be one ex-officio trustee who should be the person from time to time and for the time being holding the Heathcoat Amory Baronetcy, if of full age and willing to act. If unwilling to act the ex-officio trustee may appoint some other fit person to be a trustee to hold office in his place for so long as he thinks fit.

2. Four Nominative Trustees, appointed as follows:
One by the Board of Directors of John Heathcoat and Company Limited.
One by the Board of Directors of Lowman Manufacturing Company Limited. One by the majority of employees of John Heathcoat and Company Limited. One by the majority of employees of Lowman Manufacturing Company Limited.

3. There should be a co-opted trustee who is appointed by the other trustees.

4. Sir Ian Heathcoat Amory, Bt. DL. has been appointed as an additional trustee and shall be entitled to hold office for life.

Any vacancies at the year end will be considered by the trustees.

When new Trustees are appointed they are given a formal induction to the work of the Trust and provided with the information they need to fulfil their roles, which include information about the role of Trustees and charity law.

The charity is governed by a Trust Deed dated 14 October 1945 amended by a Scheme made by the Charity Commission on 14 September 1973, and Orders made by the Charity Commission on 25 November 1993 and 13 April 1999.

Objectives and activities

The Trust Deed, as amended by the Order dated 13 April 1999, provides that the charity's income shall be applied:

(a) for the relief of financial hardship,
(b) for education and training,
(c) for building or making grants to health institutions, and
(d) in certain circumstances for making contributions to any charity but mostly in Tiverton in Devon, its neighbourhood or in places where the firms John Heathcoat and Company Limited and Lowman Manufacturing Company Limited and their subsidiaries carry on business.
(e) in so far as it cannot be applied towards the objects specified in the Trust Deed, it may be applied for any charitable purpose.

The Trustees consider that the Charity's activities during the year satisfy the Charity Commission's guidance on public benefit.

Achievements and performance

To further the objectives of the charity, the trustees meet regularly to consider applications for grants. In the year under review, grants of £624,555 were distributed and the accumulated undistributed income increased by £790,765 after taking into account realised and unrealised gains/(losses) on the unrestricted fund.

Financial review

The financial statements comply with current statutory requirements and the charity's governing documents. The charity's donations are made annually with conditional and unconditional commitments continuing into succeeding years. The charity's investments are professionally managed and give the charity a strong financial base.

Reserve policy
The reserve fund represents the unrestricted funds arising from past incoming funds. Unrestricted funds amounted to £5,099,700. Currently trustees are looking to expend all monies received during the year. The balance is held towards the possibility of funding a large project within the charity's objectives in the future.

The endowment fund is a restricted fund under terms of the trust deed and must be held permanently. Its purpose is to ensure a suitable income stream to finance the ongoing work of the charity within its charitable objectives. It is represented by unlisted investments as set out in Note 14, and a portfolio of investments that are managed by the investment managers. The investment managers have been given discretionary power to acquire and dispose of investments within the policy set by the trustees.

Financial review *(continued)*

Investment powers
The constitution authorises the trustees to make and hold investments using the funds of the charity. Investments are held with Rathbone Investment Management at 8 Finsbury Circus, London, EC2M 7AZ, and Brewin Dolphin at 12 Smithfield Street, London, EC1A 9LA, who are the charity's investment managers.

Investment policy
The policy is to adopt a medium risk investment strategy with a balance between capital growth and income.

The charity has a participating interest in three unlisted companies. Details of these share holdings are shown in Note 14.

The Trust takes advice from our Investment Managers as to the most appropriate investments we should have.

Grants
The charity invites local institutions and individuals to make applications for grants for suitable projects.

Risk review
The trustees have conducted a review of the major risks to which the charity is exposed and confirm that systems have been established to enable regular reports so that the necessary steps can be taken to lessen these risks.

The Trustees are alert to, and have considered, the impact of the global health emergency caused by the outbreak of COVID-19 during the year. We have reviewed the risks to the business arising from an anticipated reduction in income for the subsequent period and our assessment is that the charity will have sufficient funds to meet the planned expenditure and any exceptional requests that are approved. The Trustees have also taken all reasonable actions to safeguard the charity's stakeholders, including staff and beneficiaries.

Plans for future periods

The trustees intend to further the objects of the charity by continuing to make grants and donations to suitable projects.

Trustees' responsibilities statement

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 charity trustees to prepare financial statements for each 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 period.

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 applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 applicable Charities (Accounts and Reports) Regulations, 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 trustees' annual report was approved on 24.11.21 and signed on behalf of the board of trustees by:

Sir Ian Heathcoat Amory, Bt. DL.
Trustee

The Heathcoat Trust

Independent Auditor's Report to the Members of The Heathcoat Trust

Year ended 5 April 2021

Opinion

We have audited the financial statements of The Heathcoat Trust (the 'charity') for the year ended 5 April 2021 which comprise the statement of financial activities, statement of financial position, statement of cash flows and the related notes, 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 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, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 directors 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. 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.

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities 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 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.

Auditor's 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management. We communicated identified laws and regulations throughout our team, and remained alert to any indications of non-compliance throughout the audit.
- The company is subject to laws and regulations that govern the preparation of the financial statements, including financial reporting legislation, and other charities legislation. The charity is also subject to other laws and regulations where the consequences of non-compliance could have a material impact on the amounts or disclosures within the financial statements, including employment, anti-bribery, anti-money laundering and certain aspects of charities legislation including public benefit consideration.

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 auditing standards. In any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's members, 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 members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.



Shona Godefroy FCCA (Senior Statutory Auditor)

For and on behalf of
Thomas Westcott
Chartered accountant and statutory auditor
26-28 Southernhay East
Exeter
Devon EX1 1NS

24 November 2021

The Heathcoat Trust

Statement of Financial Activities

Year ended 5 April 2021

	Note	2021 Unrestricted funds £	2021 Endowment funds £	2021 Total funds £	2020 Total funds £
Income and endowments					
Investment income	4	683,481	–	**683,481**	859,273
Total income		683,481	–	**683,481**	859,273
Expenditure					
Expenditure on raising funds:					
Investment management costs	5	20,391	96,775	**117,166**	126,001
Expenditure on charitable activities	6	658,169	–	**658,169**	760,093
Total expenditure		678,560	96,775	**775,335**	886,094
Net gains/(losses) on investments	9	785,844	3,715,155	**4,500,999**	(3,906,882)
Net income/(expenditure) and net movement in funds		790,765	3,618,380	**4,409,145**	(3,933,703)
Reconciliation of funds					
Total funds brought forward		4,308,935	18,868,189	**23,177,124**	27,110,827
Total funds carried forward		5,099,700	22,486,569	**27,586,269**	23,177,124

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 13 to 25 form part of these financial statements.

The Heathcoat Trust

Statement of Financial Position

5 April 2021

	Note	2021 £	2021 £	2020 £
Fixed assets				
Investments	14		**22,486,569**	18,868,189
Current assets				
Debtors	13	**57,213**		54,673
Investments	14	**4,625,894**		3,862,142
Cash at bank and in hand		**424,093**		416,992
		5,107,200		4,333,807
Creditors: amounts falling due within one year	15	**7,500**		24,872
Net current assets			**5,099,700**	4,308,935
Total assets less current liabilities			**27,586,269**	23,177,124
Creditors: amounts falling due after more than one year	16		–	–
Net assets			**27,586,269**	23,177,124
Funds of the charity				
Endowment funds			**22,486,569**	18,868,189
Unrestricted funds			**5,099,700**	4,308,935
Total charity funds	18		**27,586,269**	23,177,124

These financial statements were approved by the board of trustees and authorised for issue on 24.11.21, and are signed on behalf of the board by:

Sir Ian Heathcoat Amory, Bt. DL.
Trustee

The notes on pages 13 to 25 form part of these financial statements.

The Heathcoat Trust

Statement of Cash Flows

Year ended 5 April 2021

	2021 £	2020 £
Cash flows from operating activities		
Net income/(expenditure)	**4,409,145**	(3,933,703)
Adjustments for:		
Net gains/(losses) on investments	**(3,802,555)**	3,868,556
Dividends, interest and rents from investments	**(683,402)**	(855,111)
Other interest receivable and similar income	**(79)**	(4,162)
Accrued expenses	**1,326**	174
Changes in:		
Trade and other debtors	**(2,540)**	(2,421)
Trade and other creditors	**(18,698)**	(81,002)
Cash generated from operations	**(96,803)**	(1,007,669)
Interest received	**79**	4,162
Net cash used in operating activities	**(96,724)**	(1,003,507)
Cash flows from investing activities		
Dividends, interest and rents from investments	**683,402**	855,111
Purchases of other investments	**(8,130,838)**	(5,632,397)
Proceeds from sale of other investments	**6,852,887**	5,794,238
Portfolio cash movements	**698,374**	3,534
Net cash from investing activities	**103,825**	1,020,486
Net increase in cash and cash equivalents	**7,101**	16,979
Cash and cash equivalents at beginning of year	**416,992**	400,013
Cash and cash equivalents at end of year	**424,093**	416,992

The notes on pages 13 to 25 form part of these financial statements.

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is The Factory, West Exe, Tiverton, Devon, EX16 5LL.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds
General unrestricted funds comprise accumulated surpluses and deficits on general funds and cumulative realised and unrealised gains on revaluations of investments. They are available for use at the discretion of the Trustees in furtherance of the charity's objectives.

Endowment funds
The charity has an endowment, which it is legally prevented from spending and must retain intact. It has invested the endowment to provide income for its activities.

3. Accounting policies *(continued)*

Incoming resources

Income
All income is included in the statement of financial activities when the charity is entitled to the income, any performance related conditions attached have been met or are fully within the control of the charity, the income is considered probable and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Investment income is included when receivable.

Resources expended

Expenditure
Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

Costs of generating funds comprise those costs directly attributable to managing the investment portfolio.

Costs of charitable activities include grants made and an apportionment of overhead and support costs. Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grant only being recognised as expenditure when the conditions attaching are fulfilled. Grants offered, subject to conditions, which have not been met at the year-end, are noted as a commitment, but not accrued as expenditure.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management.

Governance costs comprise all costs incurred in the running of the charity itself as an organisation and it's compliance with regulation and good practice.

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

3. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Investment income

	Unrestricted Funds	**Total Funds 2021**	Unrestricted Funds	Total Funds 2020
	£	**£**	£	£
Income from listed investments	679,762	**679,762**	782,937	782,937
Income from other investments	3,640	**3,640**	72,174	72,174
Bank interest receivable	79	**79**	4,162	4,162
	683,481	**683,481**	859,273	859,273

5. Investment management costs

	Unrestricted Funds	Endowment Funds	**Total Funds 2021**
	£	£	**£**
Portfolio management	20,391	96,775	**117,166**

	Unrestricted Funds	Endowment Funds	Total Funds 2020
	£	£	£
Portfolio management	22,144	103,857	126,001

6. Expenditure on charitable activities by activity type

	Grant funding of activities	Support costs	**Total funds 2021**	Total fund 2020
	£	£	**£**	£
Employees in sickness	570	18	**588**	–
Chiropody	14,184	476	**14,660**	21,130
Consolidated grant	283,158	9,488	**292,646**	303,047
Charitable organisations and general	65,840	2,834	**68,674**	112,117
Educational bodies	178,130	5,970	**184,100**	195,027
In case of hardship	2,985	99	**3,084**	5,423
Hospital visits	12,526	419	**12,945**	33,217
Death grants	39,000	1,307	**40,307**	40,851
Communication Grants	900	30	**930**	551
Telephone	60	2	**62**	-
Opticians charges	19,795	663	**20,458**	23,703
Dentists charge	7,407	248	**7,655**	13,885
Governance costs	–	12,060	**12,060**	11,142
	624,555	33,614	**658,169**	760,093

	2021	2020
	£	£
Reconciliation of grants payable		
Grants payable b/f at 6 April 2020	**(18,998)**	(100,000)
Grants paid during the year	**643,253**	812,660
Grants payable c/f at 5 April 2021	**300**	18,998
Grants payable for the year	**624,555**	731,658
Grants at 5 April are payable as follows:		
Within one year (note 15)	**300**	18,998
After more than one year (note 16)	**–**	–
	300	18,998

7. Analysis of support costs

	2021	2020
	£	£
Salary	**16,414**	13,463
Pension	**903**	741
Employer's NIC	**1,087**	908
Rent and telephone	**370**	370
Repairs, maintenance and equipment	**1,025**	–
Insurance	**170**	170
Stationery	**432**	130
Gratuities	**75**	75
Bank charges	**1,078**	1,437
Governance costs	**12,060**	11,142
	33,614	28,436

Governance costs

	2021	2020
	£	£
Salaries and wages	**5,472**	4,488
Employer's NIC	**362**	303
Premises costs	**57**	56
Audit fees	**5,868**	6,048
Other pension costs	**301**	247
	12,060	11,142

8. Charitable organisations and general - grants of £1,000 or more payable and committed to institutions during the year were:

Tiverton

	Number	2021	Restated 2020
		£	£
Allies Mid Devon	-	-	1,000
Churches Housing Action Team	1	**1,000**	2,000
Devon Community Foundation	1	**15,000**	15,000
Hospiscare Pine Lodge	1	**1,000**	1,000
Mid Devon Mobility	1	**1,000**	1,000
Tiverton & District Scout Council	-	-	1,000
Tiverton Amateur Operatic Society	-	-	1,000
Tiverton Citizens Advice	-	-	1,000
Tiverton Girl Guide HQ Management	1	**1,000**	1,000
Tiverton Junior Operatic Club	1	**1,000**	2,500
Tiverton M.S. Support Group	-	-	1,100
Tiverton Museum	1	**5,000**	-
Tiverton Senior Citizens Association	-	-	1,000
Tiverton Swimming Club	1	**1,000**	1,000
Tiverton Youth Orchestra	1	**1,000**	1,250
Two Moors Primary School	-	-	1,300
Unite Carers in Mid Devon	-	-	1,000
Westexe Sports & Social Club	2	**2,000**	2,500
	11	**29,000**	35,650

General

	Number	2021	Restated 2020
		£	£
Beacon Church New Buildings	**1**	**1,000**	-
Cullompton Family Centre	**1**	**1,000**	1,000
Cullompton Walronds Preservation Trust	-	-	1,000
Cornwall Air Ambulance	-	-	5,000
Dulverton Heritage Centre	**1**	**2,500**	-
Exeter Deaf Academy	-	-	3,675
Exeter Leukaemia Fund	**1**	**1,750**	1,750
Exmoor Search & Rescue	-	-	1,000
Force Cancer Charity	**1**	**1,500**	1,500
Halberton & Uplowman Primary School	-	-	1,030
Heathcoat Cricket Club	-	-	2,000
Listening Books	**1**	**1,000**	1,000
Macmillan Cancer Support	**1**	**1,000**	1,000
Riverside Hall, Bampton	-	-	2,750
St Margaret's Church, Stoodleigh	-	-	2,000
St Mary's Church, Calverleigh	-	-	4,500
Stoodleigh Cricket Club	-	-	1,000
Stoodleigh Parish Hall	**1**	**1,000**	-
Uplowman Primary School	**1**	**2,000**	-
	9	**12,750**	30,205
Other grants		**24,090**	42,239
		65,840	108,094

The restatement of 2020 figures is made for the purpose of enhancing the transparency of reporting on grant expenditure only, and it does not have an impact on the rest of the statements.

9. Net gains/(losses) on investments

	Unrestricted Funds	Endowment Funds	**Total Funds 2021**
	£	£	**£**
Other gains/(losses)	785,844	3,715,155	**4,500,999**

	Unrestricted Funds	Endowment Funds	Total Funds 2020
	£	£	£
Other gains/(losses)	(593,048)	(3,313,384)	(3,906,882)

10. Auditors remuneration

	2021	2020
	£	£
Fees payable for the audit of the financial statements	**5,868**	6,048

11. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2021	2020
	£	£
Wages and salaries	**21,886**	17,951
Social security costs	**1,449**	1,211
Employer contributions to pension plans	**1,204**	987
	24,539	20,149

The average head count of employees during the year was 1 (2020: 1).

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

12. Trustee remuneration and expenses

The trustees received remuneration of £nil (2020: £nil) in total in the form of fees during the year.

No trustees (2020: One trustee) received grants during the year (2020: £78), which, in common with other recipients, was an entitlement by reason of their employment with Heathcoat Fabrics Ltd and the Lowman Group of Companies (Stenners).

Trustees were not reimbursed for any of their expenses in the year (2020: £nil).

13. Debtors

	2021	2020
	£	£
Other debtors	**57,213**	54,673

14. Investments

	2021	2020
	£	£
Investments	**27,112,463**	22,730,331

14. Investments *(continued)*

(A)Reconciliation of investments

	Unrestricted fund £	Permanent endowment £	2021 £	2020 £
Market value at 6 April 2020	3,560,108	18,020,796	21,580,904	25,611,301
Additions at cost	1,557,433	6,573,405	8,130,838	5,632,397
Disposals at market value	(1,227,977)	(5,624,910)	(6,852,887)	(5,794,238)
Net unrealised gains/(losses)	639,926	3,162,629	3,802,555	(3,868,556)
Market value at 5 April 2021	4,529,490	22,131,920	26,661,410	21,580,904
Cash held as part of investment portfolio	98,226	352,827	451,053	1,149,427
Transfer between funds 2020/21	(1,822)	1,822	–	–
	4,625,894	22,486,569	27,112,463	22,730,331

	Unrestricted funds £	Permanent endowment £	2021 £	2020 £
Fixed assets	–	22,486,569	22,486,569	18,868,189
Current assets	4,625,894	–	4,625,894	3,862,142
	4,625,894	22,486,569	27,112,463	22,730,331

(B) Analysis of investments

	Unrestricted fund £	Permanent endowment £	2021 £	2020 £
Special range permanent fund	–	2,027,220	2,027,220	1,798,773
Permanent fund	–	20,104,700	20,104,700	16,222,023
Expendable fund	4,529,490	–	4,529,490	3,560,108
	4,529,490	22,131,920	26,661,410	21,580,904
Cash held as part of investment fund	98,226	352,827	451,053	1,149,427
Transfer between funds - 2020/21	(1,822)	1,822	–	–
	4,625,894	22,486,569	27,112,463	22,730,331

	Unrestricted fund £	Permanent fund £	2021 £	2020 £
Invs listed on recognised stock exchange	4,529,490	20,104,700	24,634,190	19,782,131
Unlisted investments - associated undertakings	–	2,027,220	2,027,220	1,798,773
Cash held as part of investment portfolio	98,226	352,827	451,053	1,149,427
Transfer between funds - 2020/21	(1,822)	1,822	–	–
	4,625,894	22,486,569	27,112,463	22,730,331
Historical cost at 5 April 2021	4,138,216	17,556,196	21,694,412	20,921,659

14. Investments *(continued)*

Holdings of 20% or more
Significant Interests

	Country of registration/ incorporation	Shares held Class	Proportion of shares held
London and Devonshire Trust Ltd	UK	1,142,236 ord 25p	21.3%
Lowman Manufacturing Company Ltd	UK	2,477,190 ord 25p	22.97%
3% Cumulative Preference shares		103,987	

15. Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals and deferred income	7,200	5,874
Other creditors	300	18,998
	7,500	24,872

16. Creditors: amounts falling due after more than one year

	2021 £	2020 £
Other creditors	–	–

17. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £1,204 (2020: £987).

18. Analysis of charitable funds

Unrestricted funds

	At 6 April 2020 £	Income £	Expenditure £	Gains and losses £	**At 5 April 2021 £**
General funds	4,308,935	683,481	(678,560)	785,844	**5,099,700**

	At 6 April 2019 £	Income £	Expenditure £	Gains and losses £	At 5 April 2020 £
General funds	4,824,947	859,273	(782,237)	(590,048)	4,308,935

Endowment funds

	At 6 April 2020 £	Income £	Expenditure £	Gains and losses £	**At 5 April 2021 £**
Permanent Endowment Fund	18,868,189	–	(96,775)	3,715,155	**22,486,569**

	At 6 April 2019 £	Income £	Expenditure £	Gains and losses £	At 5 April 2020 £
Permanent Endowment Fund	22,285,880	–	(103,857)	(3,313,834)	18,868,189

19. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2021 £**
Investments	–	22,486,569	**22,486,569**
Current assets	5,107,200	–	**5,107,200**
Creditors less than 1 year	(7,500)	–	**(7,500)**
Creditors greater than 1 year	–	–	–
Net assets	5,099,700	22,486,569	**27,586,269**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Investments	–	18,868,189	18,868,189
Current assets	4,333,807	–	4,333,807
Creditors less than 1 year	(24,872)	–	(24,872)
Creditors greater than 1 year	–	–	–
Net assets	4,308,935	18,868,189	23,177,124

20. Analysis of changes in net debt

	At 6 Apr 2020	Cash flows	**At 5 Apr 2021**
	£	£	**£**
Cash at bank and in hand	416,992	7,101	**424,093**
Current asset investments	3,862,142	763,752	**4,625,894**
	4,279,134	770,853	**5,049,987**

21. Charitable commitments

At the balance sheet date, there were outstanding commitments for future financial support to institutions fulfilling certain conditions.

	2021	2020
	£	£
Devon Community Foundation	-	15,000
Tiverton Community Arts	200,000	200,000
	200,000	215,000

In addition, pledges of continued support have been made to individuals by the trustees for 2021/22: these amounted to £142,117 (2020: £147,329) at the balance sheet date, together with an unquantifiable contingency relating to school fees for a number of pupils.

These commitments have not yet been provided for in the financial statements, as they are conditional.