

CHARITY REGISTRATION NUMBER: 203367

**The Heathcoat Trust**  
**Financial Statements**  
**5 April 2022**

# **The Heathcoat Trust**

## **Financial Statements**

**Year ended 5 April 2022**

	<b>Page</b>
Trustees' Annual Report	<b>1</b>
Independent Auditor's Report to the Members	<b>6</b>
Statement of Financial Activities	<b>10</b>
Statement of Financial Activities (prior year)	<b>11</b>
Statement of Financial Position	<b>12</b>
Statement of Cash Flows	<b>13</b>
Notes to the Financial Statements	<b>14</b>

# **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

**The Heathcoat Trust**  
**Trustees' Annual Report** *(continued)*  
**Year ended 5 April 2022**

**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.

**The Heathcoat Trust**  
**Trustees' Annual Report** *(continued)*  
**Year ended 5 April 2022**

**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.

**The Heathcoat Trust**  
**Trustees' Annual Report** *(continued)*  
**Year ended 5 April 2022**

**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.

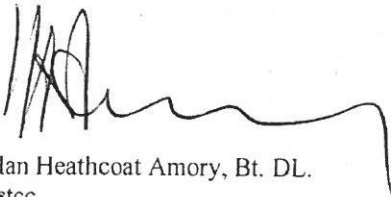
**The Heathcoat Trust**  
**Trustees' Annual Report** *(continued)*  
**Year ended 5 April 2022**

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.



## **The Heathcoat Trust**

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

**Year ended 5 April 2022**

#### **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.

# **The Heathcoat Trust**

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

**Year ended 5 April 2022**

### **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.

# The Heathcoat Trust

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

Year ended 5 April 2022

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**

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

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**

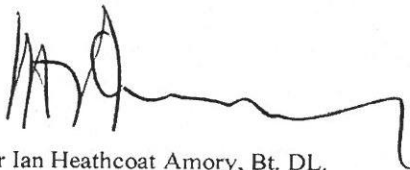
	Unrestricted funds £	2021 Endowment funds £	Total funds £
<b>Income and endowments</b>			
Investment income	683,481	—	683,481
<b>Total income</b>	<u>683,481</u>	<u>—</u>	<u>683,481</u>
<b>Expenditure</b>			
Expenditure on raising funds:			
Investment management costs	20,391	96,775	117,166
Expenditure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

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

These financial statements were approved by the board of trustees and authorised for issue on 23.11.22 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 £
<b>Cash flows from operating activities</b>		
Net income/(expenditure)	1,684,625	4,409,145
<i>Adjustments for:</i>		
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
<i>Changes in:</i>		
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)
<b>Cash flows from investing activities</b>		
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
<b>Net increase in cash and cash equivalents</b>	226,447	7,101
<b>Cash and cash equivalents at beginning of year</b>	424,093	416,992
<b>Cash and cash equivalents at end of year</b>	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.

**The Heathcoat Trust**  
**Notes to the Financial Statements**  
**Year ended 5 April 2022**

**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.



# The Heathcoat Trust

## Notes to the Financial Statements *(continued)*

Year ended 5 April 2022

### 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 its 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.

# **The Heathcoat Trust**

## **Notes to the Financial Statements** *(continued)*

**Year ended 5 April 2022**

### **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.

# The Heathcoat Trust

## Notes to the Financial Statements *(continued)*

Year ended 5 April 2022

### 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
	<u>876,844</u>	<u>876,844</u>	<u>683,481</u>	<u>683,481</u>

### 5. Investment management costs

	Unrestricted Funds	Endowment Funds	Total Funds 2022
	£	£	£
Portfolio management	<u>29,132</u>	<u>125,891</u>	<u>155,023</u>

	Unrestricted Funds	Endowment Funds	Total Funds 2021
	£	£	£
Portfolio management	<u>20,391</u>	<u>96,775</u>	<u>117,166</u>

# The Heathcoat Trust

## Notes to the Financial Statements *(continued)*

Year ended 5 April 2022

### 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
	<u>615,710</u>	<u>35,524</u>	<u>651,234</u>

	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
	<u>624,555</u>	<u>33,614</u>	<u>658,169</u>

**The Heathcoat Trust**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 5 April 2022**

**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
	<hr/>	<hr/>
Grants payable for the year	615,710	624,555
	<hr/>	<hr/>
Grants at 5 April are payable as follows:		
Within one year (note 15)	4,025	300
	<hr/>	<hr/>
	4,025	300
	<hr/>	<hr/>

**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
	<hr/>	<hr/>
	35,524	33,614
	<hr/>	<hr/>

**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
	<hr/>	<hr/>
	15,784	12,060
	<hr/>	<hr/>

# The Heathcoat Trust

## Notes to the Financial Statements *(continued)*

Year ended 5 April 2022

### 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	-
Westex Sports & Social Club	2	2,000	2,000
	13	<u>17,823</u>	<u>11 29,000</u>

# The Heathcoat Trust

## Notes to the Financial Statements *(continued)*

Year ended 5 April 2022

### 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
Updown Primary School	1	1,700	2,000
	13	<u>28,475</u>	<u>12,750</u>
Other grants		34,339	24,090
		<u>80,637</u>	<u>65,840</u>

### 9. Net gains/(losses) on investments

	Unrestricted Funds £	Endowment Funds £	Total Funds 2022 £
Other gains/(losses)	<u>254,390</u>	<u>1,357,792</u>	<u>1,612,182</u>
	Unrestricted Funds £	Endowment Funds £	Total Funds 2021 £
Other gains/(losses)	<u>785,844</u>	<u>3,715,155</u>	<u>4,500,999</u>

### 10. Auditors remuneration

	2022 £	2021 £
Fees payable for the audit of the financial statements	<u>9,858</u>	<u>5,868</u>

# The Heathcoat Trust

## Notes to the Financial Statements *(continued)*

Year ended 5 April 2022

### 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
	<u>23,471</u>	<u>24,539</u>

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	<u>56,787</u>	<u>57,213</u>

### 14. Investments

	2022	2021
	£	£
Investments	<u>28,574,792</u>	<u>27,112,463</u>



# The Heathcoat Trust

## Notes to the Financial Statements *(continued)*

Year ended 5 April 2022

### 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)	—
	<u>4,856,322</u>	<u>23,718,470</u>	<u>28,574,792</u>
	Unrestricted funds £	Permanent endowment £	2022 £
Fixed assets	—	23,718,470	23,718,470
Current assets	4,856,322	—	4,856,322
	<u>4,856,322</u>	<u>23,718,470</u>	<u>28,574,792</u>

#### (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
	<u>4,775,665</u>	<u>23,435,867</u>	<u>28,211,532</u>
Cash held as part of investment fund	75,636	287,624	363,260
Transfer between funds – 2021/22	5,021	(5,021)	—
	<u>4,856,322</u>	<u>23,718,470</u>	<u>28,574,792</u>
	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)	—
	<u>4,856,322</u>	<u>23,718,470</u>	<u>28,574,792</u>
Historical cost at 5 April 2022	<u>4,371,486</u>	<u>18,717,049</u>	<u>23,088,535</u>

# The Heathcoat Trust

## Notes to the Financial Statements *(continued)*

Year ended 5 April 2022

### 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	—
	<u>4,625,894</u>	<u>22,486,569</u>	<u>27,112,463</u>
	Unrestricted funds £	Permanent endowment £	2021 £
Fixed assets	—	22,486,569	22,486,569
Current assets	4,625,894	—	4,625,894
	<u>4,625,894</u>	<u>22,486,569</u>	<u>27,112,463</u>

#### (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
	<u>4,529,490</u>	<u>22,131,920</u>	<u>26,661,410</u>
Cash held as part of investment fund	98,226	352,827	451,053
Transfer between funds - 2020/21	(1,822)	1,822	—
	<u>4,625,894</u>	<u>22,486,569</u>	<u>27,112,463</u>
	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	—
	<u>4,625,894</u>	<u>22,486,569</u>	<u>27,112,463</u>
Historical cost at 5 April 2021	4,138,216	17,556,196	21,694,412

**The Heathcoat Trust**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 5 April 2022**

**14. Investments** *(continued)*

**Holdings of 20% or more  
Significant Interests**

	Country of Proportion registration/ incorporation	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
	<u>11,225</u>	<u>7,500</u>

**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).

# The Heathcoat Trust

## Notes to the Financial Statements *(continued)*

Year ended 5 April 2022

### 17. Analysis of charitable funds

#### Expendable unrestricted funds

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

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

#### Permanent Endowment funds

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

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

### 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	—	—	—
<b>Net assets</b>	<u>5,552,424</u>	<u>23,718,470</u>	<u>29,270,894</u>

	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	—	—	—
<b>Net assets</b>	<u>5,099,700</u>	<u>22,486,569</u>	<u>27,586,269</u>

**The Heathcoat Trust**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 5 April 2022**

**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
	<u>5,049,987</u>	<u>456,875</u>	<u>5,506,862</u>

	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
	<u>4,279,134</u>	<u>770,853</u>	<u>5,049,987</u>

**20. Charitable commitments**

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

	2022 £	2021 £
1 <sup>st</sup> 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	-
	<u>202,950</u>	<u>200,000</u>

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.