

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.

The Heathcoat Trust

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.

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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.

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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

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 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.

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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.

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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 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 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.

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

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.

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(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	<u>757,674</u>	<u>607,483</u>
		5,667,524	5,426,466
Creditors: Amounts falling due within one year	15	<u>(8,820)</u>	<u>(11,150)</u>
Net current assets		<u>5,658,704</u>	<u>5,415,316</u>
Net assets		<u>28,429,002</u>	<u>27,425,408</u>
Funds of the charity:			
Endowment funds		22,770,298	22,010,092
Unrestricted income funds		<u>5,658,704</u>	<u>5,415,316</u>
Unrestricted funds		<u>28,429,002</u>	<u>27,425,408</u>
Total funds	18	<u>28,429,002</u>	<u>27,425,408</u>

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


Mr John Smith
Trustee

The Heathcoat Trust

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		<u>(908,778)</u>	<u>1,518,993</u>
		(836,075)	(1,280,044)
Working capital adjustments			
Increase in debtors	13	(14,004)	(13,298)
Decrease in creditors	15	<u>(2,330)</u>	<u>(75)</u>
		(852,409)	(1,293,417)
Net cash flows from operating activities			
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		<u>481,102</u>	<u>(237,399)</u>
Net cash flows from investing activities		<u>1,002,600</u>	<u>1,250,360</u>
Net increase/(decrease) in cash and cash equivalents		150,191	(43,057)
Cash and cash equivalents at 6 April		<u>607,483</u>	<u>650,540</u>
Cash and cash equivalents at 5 April		<u><u>757,674</u></u>	<u><u>607,483</u></u>

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.

The Heathcoat Trust

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.

The Heathcoat Trust

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

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.

The Heathcoat Trust

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

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.

The Heathcoat Trust

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

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
	<u>930,891</u>	<u>930,891</u>
	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
	<u>953,551</u>	<u>953,551</u>

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
	<u>22,476</u>	<u>92,922</u>	<u>115,398</u>

The Heathcoat Trust

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

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

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
	<u>717,376</u>	<u>38,534</u>	<u>755,910</u>

The Heathcoat Trust

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
	<u>729,075</u>	<u>35,642</u>	<u>764,717</u>

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	<u>15,675</u>	<u>14,701</u>
	<u>38,534</u>	<u>35,642</u>

The Heathcoat Trust

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

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
	101	67
Other governance costs		
	<u>15,675</u>	<u>14,701</u>

The Heathcoat Trust

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

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
Westex Sports & Social Club	1,000	1,000
	<u>20,502</u>	<u>19,375</u>
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	-
	<u>16,648</u>	<u>12,250</u>

The Heathcoat Trust

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
	<u>27,017</u>	<u>24,936</u>

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	<u>1</u>	<u>1</u>

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	<u>8,820</u>	<u>8,400</u>

The Heathcoat Trust

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

11 Taxation

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

12 Fixed asset investments

	2024 £	2023 £
Investments	<u>27,596,059</u>	<u>26,758,990</u>

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)	<u>123,693</u>	<u>785,085</u>	<u>908,778</u>	<u>(1,518,993)</u>
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	<u>8,371</u>	<u>(8,371)</u>	-	-
	<u>4,825,761</u>	<u>22,770,298</u>	<u>27,596,059</u>	<u>26,758,990</u>
Fixed assets	-	22,770,298	22,770,298	22,010,092
Current assets	<u>4,825,761</u>	-	<u>4,825,761</u>	<u>4,748,898</u>
	<u>4,825,761</u>	<u>22,770,298</u>	<u>27,596,059</u>	<u>26,758,990</u>

(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	<u>4,805,048</u>	-	<u>4,805,048</u>	<u>4,645,034</u>
	<u>4,805,048</u>	<u>22,671,454</u>	<u>27,476,502</u>	<u>26,158,331</u>
Cash held as part of investment fund	12,342	107,215	119,557	600,659
Transfer between funds	<u>8,371</u>	<u>(8,371)</u>	-	-
	<u>20,713</u>	<u>98,844</u>	<u>119,557</u>	<u>600,659</u>
	<u>4,825,761</u>	<u>22,770,298</u>	<u>27,596,059</u>	<u>26,758,990</u>

The Heathcoat Trust

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

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)	-	-
	<u>4,825,761</u>	<u>22,770,298</u>	<u>27,596,059</u>	<u>26,758,990</u>
Historical cost	<u>4,422,784</u>	<u>18,891,956</u>	<u>23,314,740</u>	<u>22,861,634</u>

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	<u>84,089</u>	<u>70,085</u>

14 Cash and cash equivalents

	2024	2023
	£	£
Cash at bank	<u>757,674</u>	<u>607,483</u>

The Heathcoat Trust

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
	<u>8,820</u>	<u>11,150</u>

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
	<u>227,500</u>	<u>200,000</u>

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.

The Heathcoat Trust

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

18 Funds

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

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

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	<u>5,658,704</u>	<u>22,770,298</u>	<u>28,429,002</u>

The Heathcoat Trust

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	<u>5,415,316</u>	<u>22,010,092</u>	<u>27,425,408</u>

20 Analysis of net funds

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

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

21 Related party transactions

There were no related party transactions in the year.