

Charity Registration No. 228129

Company Registration No. 750390 (England and Wales)

HEWER-WHITE TRUST

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

HEWER-WHITE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	J.H. Allen J.L. Allen P.R. McGown R. Phillips C. Smith A. Woolger P J Hale K K Bezant	(Appointed 7 July 2020)
Secretary	L P Webster	
Charity number	228129	
Company number	750390	
Registered office	The Trust Office Moor Park 21-23 Heath Road Stockport SK2 6JJ	
Auditor	Clarke & Co Acorn House 33 Churchfield Road London W3 6AY	
Bankers	National Westminster Bank plc 1 High Street Weybridge Surrey KT13 8AY	

HEWER-WHITE TRUST

CONTENTS

	Page
Trustees' report	1 - 3
Statement of trustees' responsibilities	4
Independent auditor's report	5 - 7
Statement of financial activities	8
Balance sheet	9
Statement of cash flows	10
Notes to the financial statements	11 - 19

HEWER-WHITE TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the trust's [governing document], the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The primary object is to assist needy persons. The Trust owns and administers charitable sheltered accommodation in Stockport and Sheffield which is occupied by needy persons. Three further adapted properties were purchased in 2017, 2018 and 2020 specifically for the provision of disabled living accommodation. An existing Trust property was also extended and fully adapted for the same provision during the year.

When planning our activities for the year the Trustees have considered the Commission's guidance on public benefit.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the trust should undertake.

Achievements and performance

The trustees agreed during the year to merge with Marshal-Grant Trust, a charitable trust with similar aims and objectives. The merger completed on 30th June 2020 and all assets, including property, were transferred to Hewer-White Trust.

The results for the year are set out on pages 8 to 19. The Trust has continued to maintain, refurbish and modernise its industrial and charitable properties to further its objectives.

Hollands Mill Land and Hewer-White Trading Estate - 4 tenancies have been agreed on the site with all land and units currently let.

Meadow Industrial Estate - all units are currently under lease. In September 2017, 3 units suffered significant fire damage resulting in an insurance claim to reinstate the buildings. Works were undertaken in spring 2018 with extra funds from the trust being used to update the properties further.

Charitable properties - currently, all 25 flats are let and voids have been kept to a minimum. The Sheffield property required further updating which was completed during 2018.

Grants and loans - these continue to be restricted to like-minded Registered Charities and to needy persons.

Financial review

The Trust remains profitable.

General Policies

The policies of the Trustees are to ensure that the Trust operates in accordance with the rules laid down in its Memorandum and Articles of Association and within that context in accordance with the wishes of its Founders. More particularly the Trustees' aims are: -

1. To retain, maintain and improve to the highest standards the Trust's charitable accommodation.
2. To ensure that funds provided to other charities are used to their satisfaction.
3. To retain, maintain and continually improve its investment properties within the Designated Fund and to achieve the highest possible income therefrom.
4. To maximise the return from the Trust's cash reserves.

HEWER-WHITE TRUST

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

Reserves Policy

Subject to everyday current requirements, all monies held at the bank or with the Charities Official Investment Fund are available for charitable purposes in accordance with the objects and policies of the Trust. The Trustees will ensure that the projects outlined above will not stretch the Trust's resources beyond an acceptable level bearing in mind the major risks identified below. The reserve balance at the end of year is £8,999,362.

Investment Policy

The Trust's investments are its properties and its current asset investments. The investment policies relating thereto are incorporated in the general policies set out above.

The trustees has assessed the major risks to which the trust is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Grant and Loan Making Policy

The Trust makes grants and loans by the provision of charitable accommodation as set out in its objectives. The Trust also makes grants to individuals and other charities and organisations who satisfy the criteria of need expressed in the objects of the Trust.

Risk Management

The Trustees have identified and actively review the major risks to which the charity is exposed as follows: -

- a) Loss of income and bad debts from tenants.
- b) Costs of major repairs and refurbishment of the company's properties.
- c) All the Trust's charitable and industrial properties are adequately insured in accordance with professional valuations. However, if further funds are required, these would be adequately funded from reserves. Any loss sustained would be mitigated or even exceeded by the potential sale values of the premises or residual land.
- d) Changes in legislation relating to the provision of accommodation for needy persons.
- e) Fluctuations in market value of the current asset investments.

In each case, steps have been taken to mitigate those risks, where possible.

Structure, governance and management

The Trust was incorporated on 15th February 1963 as a company limited by guarantee at the instigation of Mr. and Mrs.B.S. White (the Founders). It also operates under the name "Hewer-White Trust". The company is governed by its Memorandum and Articles of Association.

Other detailed information as required by SORP is shown on page 1 of the financial statements.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

J.H. Allen

J.L. Allen

P.R. McGown

R. Phillips

C. Smith

A. Woolger

P J Hale

J Woodhead

K K Bezant

(Resigned 2 March 2020)

(Appointed 7 July 2020)

HEWER-WHITE TRUST

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

Trustees shall number not less than two or more than twelve. Each Trustee shall also be a member of the company. Additional Trustees may be appointed by an ordinary resolution of the company from time to time. The Trust has a system of rotation, whereby each Trustee is elected for between one and three years, after which, if eligible, they can be re-elected.

At the 2020 AGM held on 7th July 2020 P.R McGown , C. Smith and A. Woolger retired from the board and offered themselves for re-election.

Organisational Structure

The Trust is administered by its Trustees and Trust Administrator. The administrative headquarters and the Trust Administrator are based at the charitable property in Cheshire. The Trustees meet regularly to review the management of the company's properties including new purchases, major refurbishments and disposals and to discuss future projects. Day-to-day charitable work and property management is delegated to the Trust Administrator and her staff.

Trustee Induction and Training

New trustees are appointed to the Board who have the necessary skills and knowledge to enable them to benefit the trust as a whole. They are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. They are encouraged to meet key employees and attend appropriate external training events where these will facilitate the undertaking of their role.

Auditor

In accordance with the company's articles, a resolution proposing that Clarke & Co be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

L P Webster

Secretary

Dated: 14 June 2021

HEWER-WHITE TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees, who are also the directors of Hewer-White Trust for the purpose of company law, 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).

Company Law 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 trust and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 trust will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the trust and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HEWER-WHITE TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HEWER-WHITE TRUST

Opinion

We have audited the financial statements of Hewer-White Trust (the 'trust') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 trust 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

HEWER-WHITE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF HEWER-WHITE TRUST

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the trust and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the trust for the purpose of company law, 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 trust'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 charitable company or to cease operations, or have no realistic alternative but to do so.

HEWER-WHITE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF HEWER-WHITE TRUST

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.

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 gained an understanding of the legal and regulatory framework applicable to the Trust and the charitable sector in which it operates, and considered the risk of acts by the Trust that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2016 and UK Charity legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal professionals. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Matthew Stower BA FCA (Senior Statutory Auditor)
for and on behalf of Clarke & Co

17 June 2021

Chartered Accountants
Statutory Auditor

Acorn House
33 Churchfield Road
London
W3 6AY

HEWER-WHITE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted funds general	Restricted funds	Endowment funds	Total 2020	Total 2019
	Notes	£	£	£	£	£
<u>Income and endowments from:</u>						
Charitable activities		156,545	-	-	156,545	150,406
Investment income	3	517,831	3,963	-	521,794	574,686
Other income	4	-	2,684,077	-	2,684,077	4,325
Total income and endowments		674,376	2,688,040	-	3,362,416	729,417
<u>Expenditure on:</u>						
Raising funds	5	207,980	-	-	207,980	232,704
<u>Charitable activities</u>						
Running & maintaining UK charitable properties	6	192,172	-	-	192,172	171,055
Depreciation and impairment	6	59,260	25,991	-	85,251	58,082
Total charitable expenditure		251,432	25,991	-	277,423	229,137
Total resources expended		459,412	25,991	-	485,403	461,841
Net gains/losses on investments	9	283,531	(44,972)	-	238,559	(143,168)
Net movement in funds		(68,567)	2,707,021	-	2,638,454	410,744
Fund balances at 1 January 2020		8,841,566	-	104,089	8,945,655	8,534,911
Fund balances at 31 December 2020		8,772,999	2,707,021	104,089	11,584,109	8,945,655

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

HEWER-WHITE TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	10	3,875,087		1,751,522	
Investment properties	11	4,163,800		4,375,000	
		<u>8,038,887</u>		<u>6,126,522</u>	
Current assets					
Debtors	13	247,327		140,133	
Investments	14	1,418,604		1,162,449	
Cash at bank and in hand		1,935,823		1,560,147	
		<u>3,601,754</u>		<u>2,862,729</u>	
Creditors: amounts falling due within one year	15	(56,532)		(43,596)	
Net current assets		<u>3,545,222</u>		<u>2,819,133</u>	
Total assets less current liabilities		<u>11,584,109</u>		<u>8,945,655</u>	
Capital funds					
Endowment funds		104,089		104,089	
<u>Restricted funds</u>					
Restricted funds		2,707,021		-	
<u>Unrestricted funds - general</u>					
General unrestricted funds		6,188,252		5,926,819	
Revaluation reserve		<u>2,584,747</u>		<u>2,914,747</u>	
		<u>8,772,999</u>		<u>8,841,566</u>	
		<u>11,584,109</u>		<u>8,945,655</u>	

The financial statements were approved by the board of directors and authorised for issue on 14 June 2021 and are signed on its behalf by:

J.H. Allen
Trustee

A. Woolger
Trustee

Company Registration No. 750390

HEWER-WHITE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	19		2,534,398		(273,467)
Investing activities					
Purchase of tangible fixed assets		(2,397,004)		(1,154)	
Proceeds on disposal of tangible fixed assets		-		4,325	
Purchase of investment property		(118,800)		-	
Proceeds on disposal of other investments		(164,712)		1,654	
Investment income received		521,794		574,686	
Net cash (used in)/generated from investing activities			(2,158,722)		579,511
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			375,676		306,044
Cash and cash equivalents at beginning of year			1,560,147		1,254,103
Cash and cash equivalents at end of year			1,935,823		1,560,147

HEWER-WHITE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

Hewer-White Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is The Trust Office Moor Park, 21-23 Heath Road, Stockport, SK2 6JJ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the trust's [governing document], the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The trust is a Public Benefit Entity as defined by FRS 102.

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

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

1.2 Going concern

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

1.3 Charitable funds

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

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

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the trust.

1.4 Income

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

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

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

Incoming resources are the rent and service charges receivable from UK fixed asset investments and letting of charitable investment properties. All income is accounted for on a receivable basis.

1.5 Expenditure

HEWER-WHITE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Expenditure is recognised on an accruals basis as a liability is incurred, other than grants, which are accounted for when paid. 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 include both direct and support costs associated with running and maintaining of UK fixed asset investment properties.
- Charitable expenditure comprises both direct and support costs incurred in running and maintaining UK charitable properties.
- Governance costs includes those costs associated with meeting the constitutional and statutory requirements of the charity and includes both costs that can be allocated directly to such activity, such as audit and professional fees, and those costs of an indirect nature necessary for the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the reserves. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis, such as staff time or estimated usage, as set out in Note 2.

1.6 Tangible fixed assets

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

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

Land and buildings	2% straight line
Plant and machinery	10% straight line
Fixtures, fittings & equipment	20% straight line
Motor vehicles	25% straight line

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

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Impairment of fixed assets

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

1.9 Cash and cash equivalents

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

HEWER-WHITE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.10 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.11 Employee benefits

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

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

2 Critical accounting estimates and judgements

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

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

HEWER-WHITE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

3 Investment income

	Unrestricted funds general 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds general 2019 £
Rental income	488,971	3,963	492,934	535,552
Income from listed investments	3,143	-	3,143	5,218
Interest receivable	25,717	-	25,717	33,916
	<u>517,831</u>	<u>3,963</u>	<u>521,794</u>	<u>574,686</u>

4 Other income

	Restricted funds 2020 £	Unrestricted funds general 2019 £
Net gain on disposal of tangible fixed assets	-	4,325
Gifts and donation on business combination	2,684,077	-
	<u>2,684,077</u>	<u>4,325</u>

5 Raising funds

	Unrestricted funds general 2020 £	Unrestricted funds general 2019 £
<u>Costs incurred on running and maintaining UK investment properties</u>		
Other costs	36,738	64,745
Staff costs	68,370	67,962
Support costs	102,872	99,997
	<u>207,980</u>	<u>232,704</u>
Costs incurred on running and maintaining UK investment properties	<u>207,980</u>	<u>232,704</u>

HEWER-WHITE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Charitable activities	Running & maintaining UK charitable properties £	Depreciation and impairment £	Total 2020 £	Total 2019 £
Depreciation and impairment	-	85,251	85,251	58,082
Direct costs	108,839	-	108,839	83,054
Donations and grants payable	19,153	-	19,153	29,827
	127,992	85,251	213,243	170,963
Share of support costs	33,777	-	33,777	32,616
Share of governance costs	30,403	-	30,403	25,558
	192,172	85,251	277,423	229,137
Analysis by fund				
Unrestricted funds - general	192,172	59,260	251,432	
Restricted funds	-	25,991	25,991	
	192,172	85,251	277,423	
For the year ended 31 December 2019				
Unrestricted funds - general	171,055	58,082		229,137
	171,055	58,082		229,137

HEWER-WHITE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

7 Trustees

No remuneration was paid to Trustees during the year (2019 - £Nil)

8 Employees

Number of employees

The average monthly number employees during the year was:

	2020 Number	2019 Number
Office and management	2	2
Operational	1	2
	<u>3</u>	<u>4</u>

Employment costs

	2020 £	2019 £
Wages and salaries	194,185	180,847

The number of employees whose annual remuneration was £60,000 or more were:

	2020 Number	2019 Number
£60,000 - £70,000	-	1
£70,000 - £80,000	1	-
£90,001 - £100,000	-	1

9 Net gains/(losses) on investments

	Unrestricted funds general 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds general 2019 £
Revaluation of investments	48,548	44,972	93,520	116,668
Gain/(loss) on sale of investments	(2,079)	-	(2,079)	-
Revaluation of investment properties	(330,000)	-	(330,000)	26,500
	<u>(283,531)</u>	<u>44,972</u>	<u>(238,559)</u>	<u>143,168</u>

HEWER-WHITE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

10 Tangible fixed assets

	Land and buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2020	2,260,721	85,567	45,838	37,178	2,429,304
Additions	365,734	-	956	-	366,690
Business combinations	1,299,575	-	-	-	1,299,575
Revaluation	730,739	-	-	-	730,739
At 31 December 2020	4,656,769	85,567	46,794	37,178	4,826,308
Depreciation and impairment					
At 1 January 2020	522,776	85,507	44,823	24,678	677,784
Depreciation charged in the year	78,518	30	453	6,250	85,251
Accumulated depreciation brought forward on business combination	188,186	-	-	-	188,186
At 31 December 2020	789,480	85,537	45,276	30,928	951,221
Carrying amount					
At 31 December 2020	3,867,289	30	1,518	6,250	3,875,087
At 31 December 2019	1,737,947	60	1,015	12,500	1,751,522

11 Investment property

	2020 £
Fair value	
At 1 January 2020	4,375,000
Additions through business combinations	118,800
Net gains or losses through fair value adjustments	(330,000)
At 31 December 2020	4,163,800

The Meadow Industrial Estate, 61/63 Shaw Heath and the Hollands Mill, Stockport properties was externally valued at 31st December 2020 by Garner & Sons, Chartered Surveyors on an open market basis. The 18 Queens Road, Hersham property was revalued at 31st December 2017 by Curchod & Co, Chartered Surveyors, on an open market basis.

On historical cost basis the properties would have valued £1,485,794.

HEWER-WHITE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

11	Investment property	(Continued)	
		2020	2019
		£	£
	Freehold	4,163,800	4,375,000
	Long leasehold	-	-
	Short leasehold	-	-
		<u> </u>	<u> </u>
12	Financial instruments	2020	2019
		£	£
	Carrying amount of financial assets		
	Instruments measured at fair value through profit or loss	1,418,604	1,162,449
		<u> </u>	<u> </u>
13	Debtors	2020	2019
		£	£
	Amounts falling due within one year:		
	Trade debtors	1,921	2,438
	Other debtors	241,060	134,750
	Prepayments and accrued income	4,346	2,945
		<u> </u>	<u> </u>
		247,327	140,133
		<u> </u>	<u> </u>
<p>A loan of £200,000 has been made to Cedars Castle Hill a registered charity and is secured by way of a charge over the charities property. The loan is due to be repaid in more than five years on the sale of the property.</p>			
14	Current asset investments	2020	2019
		£	£
	Unlisted investments	1,418,604	1,162,449
		<u> </u>	<u> </u>
15	Creditors: amounts falling due within one year	2020	2019
		£	£
	Trade creditors	38,568	27,577
	Accruals and deferred income	17,964	16,019
		<u> </u>	<u> </u>
		56,532	43,596
		<u> </u>	<u> </u>

HEWER-WHITE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

16 Related Party Transactions

R. Phillips is a member and Trustee of Greendown Trust Limited, a registered charity, limited by guarantee, having similar objectives to this Trust.

In total, £1,163 was reimbursed to five Trustees in respect of travelling expenses during 2020 (£4,403 to eight Trustees in 2019).

The key management personnel of the Trust comprise the Trust Administrator and Estates Manager. The total remuneration and employee benefits of the key management personnel of the Trust are £163,466 (2019 - £162,119).

17 Grants and assistance

Grants totalling £12,153 were paid to or on behalf of four individuals during the year (2019 - £24,618). The grants were aimed at providing financial support to needy persons requiring assistance with sheltered accommodation or residential fees and study.

18 Charity merger

The trustees agreed during the year to merge with Marshall-Grant Trust, a charitable trust with similar aims and objectives. The merger completed on 30th June 2020 and all assets, including properties, of Marshall-Grant Trust were donated to Hewer-White Trust at a valuation of £2,684,077.

19 Cash generated from operations	2020 £	2019 £
Surplus for the year	2,638,454	410,744
Adjustments for:		
Investment income recognised in statement of financial activities	(521,794)	(574,686)
Gain on disposal of tangible fixed assets	-	(4,325)
Loss on disposal of investments	2,079	-
Fair value gains and losses on investment properties	330,000	(26,500)
Fair value gains and losses on investments	(93,520)	(116,668)
Depreciation and impairment of tangible fixed assets	273,437	58,082
Movements in working capital:		
(Increase) in debtors	(107,194)	(1,999)
Increase/(decrease) in creditors	12,936	(18,115)
Cash generated from/(absorbed by) operations	2,534,398	(273,467)

HEWER-WHITE TRUST

DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2020

	2020		2019	
	£	£	£	£
Income				
Rent and service charges		649,479		685,959
Interest		25,717		33,916
Sundry receipts		-		5,218
Dividend receipts		3,143		
Total Income		678,339		725,093
Expenditure				
Operational salaries	61,428		69,977	
Management fees and Administrator's salary	89,035		85,879	
Administrative salary costs	29,773		28,017	
Employers pension contributions	15,163		15,520	
Rent and rates	4,939		5,258	
Repairs & renewals	82,688		74,714	
Carecall	4,362		4,145	
Lighting and heating	13,224		16,338	
Telephone	2,178		1,948	
Computer costs	975		1,571	
Car expenses	5,368		6,569	
Bank charges and interest	795		819	
General expenses	2,315		3,730	
Insurance	29,816		25,043	
Travelling	1,163		7,474	
Postage and stationery	2,052		2,053	
Professional fees	42,019		23,142	
Profit and loss on disposal			(4,325)	
Depreciation	85,251		58,082	
Bad debts written off	-		1,736	

HEWER-WHITE TRUST

DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2020

	2020		2019	
	£	£	£	£
Grants Donations	19,154		29,827	
Total Expenditure		(491,698)		(457,517)
		186,641		267,576
Net gains/(losses) on investments				
Gains/(losses) on current asset investments		(2,079)		116,668
Gains/(losses) on revaluation of investment Properties		(330,000)		26,500
Gains/(losses) on revaluation of current asset investments		93,520		
Other non-operating income				
Gifts and donation assets on business combination		2,684,077		-
Surplus for the Year		2,632,159		410,744