

Heaton Place Charitable Trust

Annual Report and Financial Statements

for the Year Ended 31 December 2020

DRAFT

Heaton Place Charitable Trust

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 4
Statement of Trustees' Responsibilities	5
Independent Examiner's Report	6
Statement of Financial Activities	7
Balance Sheet	8
Notes to the Financial Statements	9 to 14

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Heaton Place Charitable Trust

Reference and Administrative Details

Trustees	Mr G Roberts
	Mr J N Barry
	Mrs E Beattie
	Mrs J Edwards
	Mrs A Hampton
	Mr G Price
	Mr I M Reid
	Mrs I Mathieson
	Mr J Whiston
Other Officers	Mrs E Colwyn-Foulkes, President
Principal Office	The Estate Office, Heaton Place Norton Road Rhos on Sea Colwyn Bay LL28 4TL
Charity Registration Number	230095
Solicitors	Bone & Payne LLP 13 Wynnstay Road Colwyn Bay LL29 8NB
Bankers	CAF Bank Ltd 25 Kings Hill Avenue West Mailing Kings Hill West Mailing Kent ME19 4JQ
Independent Examiner	Aston Hughes & Co Selby Towers 29 Princes Drive Colwyn Bay Wales LL29 8PE

Heaton Place Charitable Trust

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 31 December 2020.

Objectives and activities

The objectives and activities to which the Trustees are committed, as set out in the Governing document, is the provision of good quality, affordable accommodation situated in a safe environment and pleasant surroundings for senior citizens from the area. In formulating the objectives and activities the Trustees have considered the Charity Commission's guidelines on public benefit, including the charging of fees (rents). The charity relies on rental income to cover its operating costs, which it balances with careful consideration to the level of the rents. This ensures the affordability of the accommodation to those on low incomes. Properties are upgraded as required on a change of tenancy when the unit is empty, ensuring standards are maintained.

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. The Charity is also registered with RentSmart Wales for the protection of the tenants.

Achievements and performance

The Charity has achieved its objectives in the period, despite the challenges of 2020. The charity has ensured the accommodation remains in good condition and the environment is safe and pleasant. Some projects have by necessity slowed down due to the unusual circumstances of the last year, but the charity continues to make a difference to its beneficiaries by the provision of affordable housing.

Financial review

The charity's finances remain in good order, with the Trusts total bank and cash balances increasing by £48,057 during the year. Property rentals continue to represent the main income of the charity. The Trustees endeavour to maintain a reasonable credit in the charity's bank accounts, as it is important to have funds available for the current and future upkeep and running of the Estate, including any unforeseen property expenditure. Funds also need to be available to cover any shortfall in rents if units temporarily become vacant, or require extensive refurbishment. There is an annual review in July each year, with any increase falling due in the following September.

There was a surplus for the year of £37,886 (surplus of £42,784 in the year to 31st December 2019). The Trustees have agreed expenditure on projects, but not all of these have been taken forward during the year, because of the pandemic. However, they have taken the opportunity to continue to improve the grounds and gardens, working within the government guidelines.

The charity changed its banking arrangements during the financial year, considering that on line banking offered more opportunities to work efficiently.

It is the policy of the Trustees to seek professional advice before important decisions are taken, and also to take legal advice on matters which may involve legislative issues which could have material repercussions for the charity. This can involve considerable expense which the Trustees consider must be reflected in the rents.

All new tenants are required to pay a deposit which is lodged with the Deposit Protection Service.

Heaton Place Charitable Trust

Trustees' Report

Policy on reserves

The charity keeps the money in the Virgin Money account as its reserve, and it is always kept to the level covered by the FSA. The charity held £267,316 (£219,259 in the year to 31 December 2019) of cash reserves at the end of the financial period. Any interest on this money is paid into the CAF Bank current account. The Trustees have identified the risks to the charity which include:

- Fraud
- Safeguarding
- Health and Safety

The charity has a Safeguarding Policy and a comprehensive Health and Safety Policy. The policies were utilised successfully during the year to protect tenants during the pandemic. The Financial Procedures address the issue of fraud and have been reviewed and strengthened during the year to take account of the new on line banking arrangements.

The Trustees have considered the exposure of the charity to the risks, namely credit, liability and cash flow risks associated with the financial instruments used by the charity, and are agreed they are of low risk.

Plans for future periods

Aims and key objectives for future periods

There is a firm commitment to the objectives of the charity, and the programme of refurbishments will continue as units become vacant, subject to funds being available. The charity continues to be alert to environmental and political changes which might affect Heaton Place.

Structure, governance and management

Nature of governing document

The charity is controlled by its governing document, a Deed of Trust dated 30 June 1948, as amended 26 March 2009, and is an unincorporated charity.

Recruitment and appointment of trustees

New Trustees are appointed according to the policy laid down, and will be sympathetic to the aims of the Charity.

Induction and training of trustees

The induction and training of new Trustees is the responsibility of the Chair of the Trustees, supported by the Estate Administrator and other Trustees as required.

Organisational structure

The management of the charity is vested in the Trustees, who approve policy and decision making at their bi-monthly meetings. The day to day running of the charity is delegated to the Estate Administrator, who is also Secretary to the Trustees as well as being the Finance Officer. The Estate Administrator is accountable to the Chair of the Trustees.

Heaton Place Charitable Trust

Trustees' Report

Major risks and management of those risks

The Trustees have a duty to identify and review the risks to which the charity is exposed, and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The Trustees have identified certain particular potential risks as follows:

- Financial
- Health and safety
- Security
- Legislation
- Accidents

Safeguards have been put in place to cover the aforementioned risks and are regularly reviewed.

Future Developments

There is a firm commitment to the objectives of the charity, and the programme of refurbishments will continue when units become vacant, subject to funds being available. The charity continues to be alert to environmental and political changes which might affect Heaton Place.

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

.....
Mr G Roberts
Trustee

Heaton Place Charitable Trust

Statement of Trustees' Responsibilities

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

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, 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.

Approved by the trustees of the charity on and signed on its behalf by:

.....
Mr G Roberts
Trustee

Heaton Place Charitable Trust

Independent Examiner's Report to the trustees of Heaton Place Charitable Trust

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 December 2020 which are set out on pages 7 to 14.

Respective responsibilities of trustees and examiner

As the charity's trustees of Heaton Place Charitable Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Heaton Place Charitable Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of Heaton Place Charitable Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

.....
Mrs Gwendoline Glenis Hickerton

Selby Towers
29 Princes Drive
Colwyn Bay
Wales
LL29 8PE

Date:.....

Heaton Place Charitable Trust

Statement of Financial Activities for the Year Ended 31 December 2020

	Note	Unrestricted £	Total 2020 £
Income and Endowments from:			
Charitable activities	3	158,221	158,221
Investment income	4	445	445
Total Income		158,666	158,666
Expenditure on:			
Charitable activities	5	(120,780)	(120,780)
Total Expenditure		(120,780)	(120,780)
Net movement in funds		37,886	37,886
Reconciliation of funds			
Total funds brought forward		790,885	790,885
Total funds carried forward	13	828,771	828,771

	Note	Unrestricted £	Restricted £	Total 2019 £
Income and Endowments from:				
Donations and legacies	2	20	-	20
Charitable activities	3	157,386	-	157,386
Investment income	4	712	-	712
Total Income		158,118	-	158,118
Expenditure on:				
Charitable activities	6	(111,839)	(3,495)	(115,334)
Total Expenditure		(111,839)	(3,495)	(115,334)
Net movement in funds		46,279	(3,495)	42,784
Reconciliation of funds				
Total funds brought forward		744,606	3,495	748,101
Total funds carried forward	13	790,885	-	790,885

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

The charity has no recognised gains or losses for the year other than the results above.

The notes on pages 9 to 14 form an integral part of these financial statements.

Heaton Place Charitable Trust

Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	9	568,258	575,163
Current assets			
Debtors	10	293	266
Cash at bank and in hand	11	267,316	219,259
		<u>267,609</u>	<u>219,525</u>
Creditors: Amounts falling due within one year	12	<u>(7,096)</u>	<u>(3,803)</u>
Net current assets		<u>260,513</u>	<u>215,722</u>
Net assets		<u>828,771</u>	<u>790,885</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>828,771</u>	<u>790,885</u>
Total funds	13	<u>828,771</u>	<u>790,885</u>

The financial statements on pages 7 to 14 were approved by the trustees, and authorised for issue on and signed on their behalf by:

.....
Mr J N Barry
Trustee

Heaton Place Charitable Trust

Notes to the Financial Statements for the Year Ended 31 December 2020

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

Heaton Place Charitable Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

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

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

Donations and legacies

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

Investment income

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

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources.

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.

Governance costs

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

Heaton Place Charitable Trust

Notes to the Financial Statements for the Year Ended 31 December 2020

Tangible fixed assets

Individual fixed assets costing £1,000.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Land & Buildings	1% straight line basis
Fixtures and fittings	15% reducing balance basis

Fund structure

Unrestricted income funds are general income that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

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.

Heaton Place Charitable Trust

Notes to the Financial Statements for the Year Ended 31 December 2020

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.

2 Income from donations and legacies

	Total 2020 £	Total 2019 £
Donations and legacies;		
Donations from individuals	-	20
	<u>-</u>	<u>20</u>

3 Income from charitable activities

	Total 2020 £	Total 2019 £
Laundry income	3,901	3,676
Property rental income	154,320	153,710
	<u>158,221</u>	<u>157,386</u>

4 Investment income

	Total 2020 £	Total 2019 £
Interest receivable and similar income;		
Interest receivable on bank deposits	445	712
	<u>445</u>	<u>712</u>

Heaton Place Charitable Trust

Notes to the Financial Statements for the Year Ended 31 December 2020

5 Expenditure on charitable activities

		Unrestricted		
	Note	General £	Total 2020 £	Total 2019 £
Upkeep of grounds		26,303	26,303	17,081
Repairs, maintenance and decorating		48,695	48,695	52,699
Rent of maintenance of Conwy Careline		270	270	363
Insurance		5,684	5,684	6,706
Council tax and water charges		4,636	4,636	4,157
Electricity charges		2,821	2,821	2,526
Gas charges - Pavilion		487	487	584
Telephone charges		493	493	512
Printing, stationery, postage and advertising		458	458	295
Sundry expenses		1,327	1,327	816
Depreciation, amortisation and other similar costs		7,970	7,970	7,980
Staff costs		18,500	18,500	18,500
Governance costs		3,136	3,136	3,115
		<u>120,780</u>	<u>120,780</u>	<u>115,334</u>

6 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total funds £
Independent examiner fees		
Examination of the financial statements	2,354	2,354
Other fees paid to examiners	223	223
Legal fees	559	559
Total for 2020	<u>3,136</u>	<u>3,136</u>
Total for 2019	<u>3,115</u>	<u>3,115</u>

7 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

Heaton Place Charitable Trust

Notes to the Financial Statements for the Year Ended 31 December 2020

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

8 Staff costs

The aggregate payroll costs were as follows:

	2020 £	2019 £
Staff costs during the year were:		
Wages and salaries	18,500	18,500

Only one member of staff was employed during the year.

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

9 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 January 2020	684,621	36,369	720,990
Additions	-	1,065	1,065
At 31 December 2020	684,621	37,434	722,055
Depreciation			
At 1 January 2020	115,884	29,943	145,827
Charge for the year	6,846	1,124	7,970
At 31 December 2020	122,730	31,067	153,797
Net book value			
At 31 December 2020	561,891	6,367	568,258
At 31 December 2019	568,737	6,426	575,163

10 Debtors

	2020 £	2019 £
Prepayments	293	266

11 Cash and cash equivalents

	2020 £	2019 £
Cash on hand	15	62
Cash at bank	267,301	219,197
	267,316	219,259

Heaton Place Charitable Trust

Notes to the Financial Statements for the Year Ended 31 December 2020

12 Creditors: amounts falling due within one year

	2020 £	2019 £
Other creditors	7,096	3,803

13 Funds

	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2020 £
Unrestricted					
General	182,341	158,666	(120,780)	508,544	728,771
Designated	608,544	-	-	(508,544)	100,000
Total funds	<u>790,885</u>	<u>158,666</u>	<u>(120,780)</u>	<u>-</u>	<u>828,771</u>

The specific purposes for which the funds are to be applied are as follows:

Designated funds are unrestricted funds but have been set aside for insulating walls, upgrading the heating systems, and installation of solar panels and charging points for electric cars.

14 Analysis of net assets between funds

	Unrestricted funds General £	Total funds at 31 December 2020 £
Tangible fixed assets	568,258	568,258
Current assets	267,609	267,609
Current liabilities	(7,096)	(7,096)
Total net assets	<u>828,771</u>	<u>828,771</u>
	Unrestricted funds General £	Total funds at 31 December 2019 £
Tangible fixed assets	575,163	575,163
Current assets	219,525	219,525
Current liabilities	(3,803)	(3,803)
Total net assets	<u>790,885</u>	<u>790,885</u>

Heaton Place Charitable Trust

Detailed Statement of Financial Activities for the Year Ended 31 December 2020

	Total 2020 £	Total 2019 £
<i>Donations and legacies</i>		
Appeals and donations	-	20
	<u>-</u>	<u>20</u>
<i>Charitable activities</i>		
Rental income	154,320	153,710
Laundry charges	3,901	3,676
	<u>158,221</u>	<u>157,386</u>
<i>Investment income</i>		
Bank interest	445	638
Income from other investments	-	74
	<u>445</u>	<u>712</u>
<i>Charitable activities</i>		
Estate administrator - salary	(18,500)	(18,500)
Council tax and water charges	(4,636)	(4,157)
Electricity charges	(2,821)	(2,526)
Gas charges - Pavilion	(487)	(584)
Insurance	(5,684)	(6,706)
Rent and maintenance of Colwyn Careline	(270)	(363)
Upkeep of grounds	(26,303)	(17,081)
General maintenance	-	(3,495)
Repairs, maintenance and decorating	(48,695)	(49,204)
Telephone charges	(493)	(512)
Printing, postage, stationery and advertising	(458)	(295)
Sundry expenses	(1,077)	(816)
Motor repairs and renewals	(200)	-
Bank charges	(50)	-
Depreciation of freehold property	(6,846)	(6,846)
Depreciation of fixtures, fittings and equipment	(1,124)	(1,134)
Accountancy and independent examination	(2,354)	(2,583)
Other services	(223)	-
Trustees' indemnity insurance	(559)	(532)
	<u>(120,780)</u>	<u>(115,334)</u>

This page does not form part of the statutory financial statements.