

BESTOBELL-MEGGITT WELFARE TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Charity Registration Number: 284376

BESTOBELL-MEGGITT WELFARE TRUST
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FOR THE YEAR ENDED 31 DECEMBER 2020

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BESTOBELL-MEGGITT WELFARE TRUST
OFFICERS AND PROFESSIONAL ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2020

TRUSTEE	Bestobell Founders Welfare Trust Limited
CHARITY NUMBER	284376
REGISTERED OFFICE	the 4814 trust/BMWT PO Box 96 Somerton, TA11 9BS
AUDITORS	Thomas Westcott Chartered Accountants Timberly South Street Axminster EX13 5AD
BANKERS	CAF Bank Ltd 25 Kings Hill West Malling Kent ME19 4JQ
INVESTMENT MANAGEMENT	Close Brothers Asset Management 10 Exchange Square Primrose Street London EC2A 2BY
SOLICITORS	Bates, Wells & Braithwaite London LLP 10 Queen Street Place London EC4R 1BE Gregg Latchams Ltd 7 Queen Square Bristol BS1 4JE

BESTOBELL-MEGGITT WELFARE TRUST

TRUSTEE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustee submits its annual report and the audited financial statements for the year ended 31 December 2020.

OBJECTIVES OF THE CHARITY

The governing documents of the charity are the Principal Trust Deed dated 7 September 1948, supplemented by later deeds and variations. The principal object of the Trust is the charitable relief of hardship, financial need, or sickness of qualifying employees, pensioners and their widows or other dependants. These objects are furthered by the making of grants or interest-free loans to qualifying individuals. Secondary beneficiaries of the Trust include charities for the relief of hardship, financial need or sickness at the discretion of the Trustee.

ORGANISATION

The fund operates in the United Kingdom and is also available to those who work or have worked for the overseas subsidiaries of Bestobell PLC and Meggitt PLC.

Grants to primary beneficiaries are awarded for a wide range of purposes, including:

- the relief of hardship or financial need, however it occurs; and
- medical and convalescence expenses which arise because treatment is not readily available through normal channels.

The Trust is administered by Bestobell Founders Welfare Limited, a limited company, whose directors act on behalf of the Trust. The directors of Bestobell Founders Welfare Trust Limited during the year, none of whom were remunerated for their services to the Trust, were:

Mr F C Bedwell (Chairman)
Mrs C E Bedwell

METHOD OF ELECTION OF TRUSTEES

The sole trustee is Bestobell Founders Welfare Limited, appointed by the original trust deed dated 7 September 1948. Appointment of any further trustee would require amendment of the original trust deed.

RESERVES POLICY

The directors of the Trustee company have established a policy whereby the unrestricted funds held by the charity are maintained in order to generate net income annually which is then expended in line with the charity's aims. This policy has been followed throughout 2020.

REVIEW OF ACTIVITIES AND ACHIEVEMENTS DURING THE YEAR

During the year the fund made grants totalling £125,000 to The 4814 Trust (2019: £150,000) (see note 12).

The Trustees intend to continue to distribute the investment income on a year by year basis. The net expenditure for 2020 represents the costs of maintaining the investment portfolio. They are considering further proposals concerning the distribution of reserves.

The Trust does not carry out fundraising activities.

The Trustees have complied with their duty set out in section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the commission.

BESTOBELL-MEGGITT WELFARE TRUST

TRUSTEE'S REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

REVIEW OF THE TRANSACTIONS AND THE FINANCIAL POSITION

The fund's investment income for the year, after allowing for the recovery of income tax, was £129,161 (2019: £155,406).

The market value of the fund's investments at 31 December 2020 was £5,708,721 (2019: £5,459,413) compared with a cost of £4,943,406 (2019: £4,989,934). The Trustee has unrestricted powers of investment and is satisfied that investments held by the charity during the year have been acquired in accordance with its powers of investment. The Trustee has appointed as professional investment managers Close Brothers Asset Management.

The directors of the Trustee company believe that the charity's assets are available and adequate to fulfil the obligations of the charity.

FUTURE PLANS AND SUBSEQUENT EVENTS

The directors of the Trustee company are continuing the process of reviewing of all aspects of the Trust's operations and activities.

RISK REVIEW

The directors of the Trustee company have conducted their own review of the major risks to which the charity is exposed and systems have been established to mitigate those risks. Internal risks are minimised by the implementation of procedures for authorization of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charity. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

TRUSTEE'S RESPONSIBILITIES

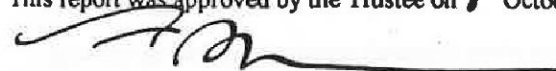
The Trustee is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law require the Trustees to prepare financial statements for each financial year. Under that law the Trustee has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustee is required to;

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

The Trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the charity's governing documents, the trust deed and current statutory requirements. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustee on 8th October 2021 and signed on its behalf, by:



F C Bedwell
Director of Bestobell Founders Welfare Trust Ltd

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF

BESTOBELL-MEGGITT WELFARE TRUST

Opinion

We have audited the financial statements of Bestobell-Meggitt Welfare Trust for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet 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 applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2018 and of the charity's net movement in funds 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 have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 3, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with management. We communicated identified laws and regulations throughout our team, and remained alert to any indications of non-compliance throughout the audit.

The charity is subject to laws and regulations that govern the preparation of the financial statements, including financial reporting legislation, and other charity 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 but not limited to, employment, anti-bribery and anti-money laundering.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF

BESTOBELL-MEGGITT WELFARE TRUST (Continued)

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. In any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Use of our report

This report is made solely to the charity's 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 charity's trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.



Stuart Carrington FCA

For and on behalf of Thomas Westcott Chartered Accountants

Timberly

South Street

Axminster

EX13 5AD

Date: 15-10-21

BESTOBELL-MEGGITT WELFARE TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
INCOME AND ENDOWMENTS FROM:			
Investments	2	129,161	155,406
EXPENDITURE ON:			
Raising funds:			
Investment management fee	3	(44,154)	(42,982)
Charitable expenditure:			
Grants paid	4	(125,000)	(150,000)
Support costs	5	(60)	(60)
Governance costs	6	(4,768)	(3,348)
TOTAL		(173,982)	(196,390)
NET (EXPENDITURE) BEFORE GAINS ON INVESTMENTS		(44,821)	(40,984)
NET GAINS ON INVESTMENTS	7	281,794	690,852
NET INCOME		236,973	649,868
NET MOVEMENT IN FUNDS		236,973	649,868
RECONCILIATION OF FUNDS			
Unrestricted fund balance brought forward	10	5,521,429	4,871,561
Unrestricted fund balance carried forward	10	5,758,402	5,521,429
Endowment fund balance brought forward and carried forward		43,837	43,837
TOTAL FUNDS CARRIED FORWARD		£5,802,239	£5,565,266

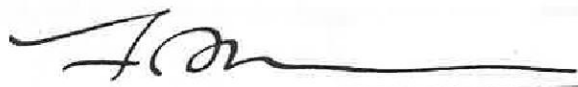
There were no movements on the permanent endowment fund during the current or prior period.

There were no changes in the charity's activities during the year and all activities are considered to be continuing.

BESTOBELL-MEGGITT WELFARE TRUST**BALANCE SHEET****AS AT 31 DECEMBER 2020**

			2020	2019
	Notes	£	£	£
INVESTMENTS	7		5,708,721	5,459,413
CURRENT ASSETS				
Debtors	8	1,909		606
Cash at bank		225,869		264,187
		<u>227,778</u>		<u>264,793</u>
LIABILITIES				
Creditors falling due within one year	9	(134,160)		(158,840)
Bestobell Founders Welfare Trust Limited		(100)		(100)
		<u>(134,260)</u>		<u>(158,940)</u>
NET CURRENT ASSETS/(LIABILITIES)			93,518	105,853
NET ASSETS			<u>£5,802,239</u>	<u>£5,565,266</u>
FUNDS				
Permanent endowment funds	10	43,837		43,837
Unrestricted fund	10	5,758,402		5,521,429
		<u>£5,802,239</u>		<u>£5,565,266</u>

The financial statements were approved by the Trustees and authorised for issue on
and signed on their behalf, by:



F C Bedwell
Director of Bestobell Founders Welfare Trust Limited

BESTOBELL-MEGGITT WELFARE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The Bestobell-Meggitt Welfare Trust is a public benefit entity within the meaning of FRS 102. 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)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Presentation currency

The financial statements are presented in the Trust's presentation currency of GBP

Donations and legacies

Donated services have not been included in the statement of financial activities on the basis that the benefit is not quantifiable or material.

Investment income

Dividends are included in the statement of financial affairs when they are receivable. Gross bank interest is included in the statement of financial affairs on receipt.

Grants payable

Grants payable are recorded when the recipient is notified of the grant.

Classification of expenditure

Expenditure is charged to the statement of financial activities as it is incurred.

Expenditure is allocated to charitable expenditure, costs of raising funds and other expenditure.

Charitable expenditure comprises grants payable in furtherance of the charity's objectives and cost of management and administration of the charity. Costs of raising funds includes an investment management fee (see note 3).

It is the policy of the Trust not to offset income and expenditure.

Investments and investment gains and losses

Stocks and shares quoted on the London Stock Exchange are included in the balance sheet at market value. The middle market basis is used. No unquoted investments are held.

Profits and losses arising on the disposal of investments are included in the statement of financial affairs on completion of the disposal, based on the brought forward book value (or cost for additions disposed of during the same year) of the investments sold.

Capitalisation of fixed assets

It is the policy of the Trust not to capitalise any capital expenditure. In the opinion of the Trustee, there has been no capital expenditure to date which would result in a material balance sheet value.

Taxation

As a registered charity, the Trust is exempt from taxation on its income and gains to the extent that they fall within part 10 of the Income Taxes Act 2007 and section 256 of the Taxation of Chargeable Gains Act 1992. No tax charge has arisen in the year.

BESTOBELL-MEGGITT WELFARE TRUST**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 DECEMBER 2020****1. ACCOUNTING POLICIES (continued)****Accounts on a going concern basis**

The trustees are of the view that there are no material uncertainties regarding the charity's ability to continue as a going concern and therefore the assessment of the trustees is that the charity is a going concern.

Critical accounting estimates and areas of judgement

There are no significant judgements and estimates required by the trustees or management in preparing the accounts.

2. INVESTMENT INCOME

	2020	2019
	£	£
Fixed interest and dividends on ordinary shares	128,990	154,514
Interest on cash deposits	171	892
	<u>£129,161</u>	<u>£155,406</u>

Dividends include income tax recoverable for 2020 of £1,303 (2019: £606).

3. INVESTMENT MANAGEMENT FEE

Close Brothers Asset Management levy a fee for the management of the Trust's investments.

4. GRANTS PAYABLE IN FURTHERANCE OF THE CHARITY'S OBJECTS

During the year the fund awarded grants of £125,000 to 1 beneficiary (2019: £150,000 to 1 beneficiary) in accordance with the fund's objectives. Commitments in connection with unpaid grants at 31 December 2020 were £Nil (2019: £Nil).

	2020	2019
	£	£
Grants to institutions		
The 4814 Trust	125,000	150,000
	<u>£125,000</u>	<u>£150,000</u>

5. SUPPORT COSTS

	2020	2019
	£	£
Bank charges	£60	£60

BESTOBELL-MEGGITT WELFARE TRUST**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 DECEMBER 2020**

6. GOVERNANCE COSTS	2020	2019
	£	£
Travelling expenses	-	-
Accountancy fees	600	500
Audit fee	4,168	2,308
Registered office fee	-	540
	£4,768	£3,348
7. INVESTMENTS	2020	2019
	£	£
Investments at market value	5,708,721	5,459,413
Analysis of movement on investments		
At market value at beginning of year	5,459,413	4,430,079
Additions at cost	1,017,427	896,707
Disposals	(1,049,913)	(558,225)
Net gain on revaluation	281,794	690,852
At end of year	£5,708,721	£5,459,413
Historical cost of investments	£4,943,406	£4,989,934
8. DEBTORS	2020	2019
	£	£
Investment management fee rebate due	-	-
Income tax recoverable	1,909	606
	1,909	606
9. ACCRUALS FALLING DUE WITHIN ONE YEAR	2020	2019
	£	£
Accrued expenses	4,380	4,420
Grants payable	125,000	150,000
Expenses paid by the 4814 Trust	4,780	4,420
	134,160	158,840

BESTOBELL-MEGGITT WELFARE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

10. ANALYSIS OF FUND BALANCES

	2020 £	2019 £
Summary		
Sum contributed to fund at commencement in 1948	43,100	43,100
Additional contribution in 1956	737	737
Permanent Endowment fund brought forward and carried forward	43,837	43,837
Unrestricted funds brought forward	5,521,429	4,871,561
Income	129,161	155,406
Expenditure	(173,982)	(196,390)
Net gains on investments	281,794	690,852
Unrestricted funds carried forward	5,758,402	5,521,429
Total funds	£5,802,239	£5,565,266

	Permanent Endowment Fund £	Unrestricted Funds £	Total Funds £
Analysis by balance sheet category			
Investments	43,837	5,664,884	5,708,721
Net current assets	-	93,518	93,518
Balance at 31 December 2020	£43,837	£5,758,402	£5,802,239
Balance at 31 December 2019	£43,837	£5,521,429	£5,565,266

11. TRUSTEE'S EXPENSES AND EMPLOYEES

The Trustee received no expenses or remuneration during the year (2019 - £Nil). No employees were employed by the trust in the current or preceding year.

12. RELATED PARTIES

The 4814 Trust was set up in 2014 as a charitable Trust. The trustees are FC Bedwell, CE Bedwell and CJ Gardner. FC Bedwell and CE Bedwell are directors of the Trustee company, Bestobell Founders Welfare Trust Ltd.

During the year one grant of £125,000 was made to The 4814 Trust (2019: £150,000).

The 4814 Trust paid expenses of £4,780 on behalf of the Bestobell-Meggitt Welfare Trust (2019: £4,420).

At 31 December 2020 £129,780 was owed to the 4814 Trust (2019 £154,420).

13. POST BALANCE SHEET EVENT

On 11 August 2021 the Bestobell-Meggitt Welfare Trust resolved to make a capital advance of £3million to the 4814 Trust.

