
WEST HEATH LIMITED
(A company limited by guarantee)

UNAUDITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

WEST HEATH LIMITED
(A company limited by guarantee)

COMPANY INFORMATION

DIRECTORS	S J Sheldon H P Baker E McVittie S J C Randall CBE I Hutchinson J M W Sale (appointed 20 March 2022) P Railing (appointed 23 November 2022)
REGISTERED NUMBER	483480
REGISTERED OFFICE	Kings Manor Copse Lane Freshwater Isle of Wight PO40 9TL
ACCOUNTANTS	Creasey Son & Wickenden Chartered Accountants Hearts of Oak House Pembroke Road Sevenoaks Kent TN13 1XR
SOLICITORS	Winckworth Sherwood Minerva House 5 Montague Close London SE1 9BB

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WEST HEATH LIMITED
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors, who are also the trustees of the charity, present their report and the financial statements for the year ended 31 December 2022.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the surplus or deficit of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

REFERENCE AND ADMINISTRATIVE INFORMATION

The trustees are the directors of West Heath Limited for the purposes of company law. The directors and trustees during the year and at the date that these financial statements were approved were:

The directors who served during the year were:

S J Sheldon
H P Baker
E McVittie
S J C Randall CBE
A C Ritchie (resigned 23 November 2022)
M F Sheardown (resigned 26 September 2022)
I Hutchinson
J M W Sale (appointed 20 March 2022)
P Railing (appointed 23 November 2022)

WEST HEATH LIMITED
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Key personnel and professional advisors

Chairman

S J Sheldon

Registered office

Kings Manor
Copse Lane
Freshwater
Isle of Wight PO40 9TL

Administrator

P Railing

Accountants

Creasey Son & Wickenden
Hearts of Oak House
4 Pembroke Road
Sevenoaks
Kent TN13 1XR

Solicitors

Winckworth Sherwood
Minerva House
5 Montague Close
London SE1 9BB

Fund Managers

Rathbones
159 New Bond Street
London W1Y 9PA

West Heath Limited ("the Company" or "the Charity") is a company incorporated under the Companies Acts and registered in England & Wales under number 483480. The Company is limited by guarantee and is a registered charity, number 307926, governed by its Memorandum and Articles of Association and does not have a share capital. The liability of its members is limited to £1 each. It promotes its activities under the name "West Heath Trust Fund".

WEST HEATH LIMITED
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Appointment of directors and trustees

The directors, who are also the trustees of the Charity, are appointed by the Board of Directors.

Trustee induction and training

Upon becoming a trustee, an existing trustee will introduce the new appointee to:

- the obligations of trustees;
- the main documents which set out the operational framework for the Charity, including the Memorandum and Articles of Association;
- resources and the current financial position as set out in the latest published accounts; and
- future plans and objectives.

Risk management

The trustees invest the charity's reserves in listed investments so the risk of capital value being depleted cannot be avoided. This is addressed by spreading the funds across forty or more separate investments and by instructing the fund managers to select low to medium risk investments.

The charity's grant-making activities are funded by the income earned on its investments. If that income should fluctuate too far from the typical level of return the charity's grant-making activities might have to be reduced. Accordingly, the investment managers are instructed to keep volatility of returns low, and the trustees award grants at a level which they consider can be reliably met out of income year after year.

Organisational structure

The trustees administer the Charity and its charitable endeavours at their regular council meetings, whilst sub-committees consider grant applications and investments.

The trustees of the charity do not receive any remuneration.

OBJECTIVES, ACTIVITIES AND PUBLIC BENEFIT

Objectives

The Company's governing documents restrict its activities to the provision of education and the pursuit of charitable objectives involving the promotion of education generally.

Activities

The Charity provides bursaries for girls. Through an open application policy it currently predominantly makes grants or other payments to colleges or institutions providing education in respect of individual girls. The Charity makes schools aware of the availability of bursaries. The bursary sub-committee reviews all applications and recommends grants.

Public benefit

The trustees have paid due regard to the requirement imposed by s17 of the Charities Act 2011 for the Charity to operate for the public benefit.

WEST HEATH LIMITED
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

ACHIEVEMENTS AND PERFORMANCE

Educational grants are made to students in order that they can further their education either at fee paying schools or by other means in circumstances where that would not otherwise have not been possible. At the start of this year grants were being paid to 20 students and further grants were made for 4 students. 4 students reached the end of their agreed grant-supported period, 2 students were granted a further bursary and 1 student left school early. This left the charity with commitments to 21 students at the year end. The value of the grants awarded this year is set out in the notes to these financial statements.

FINANCIAL REVIEW

Results

The deficit for the year amounted to £363,942 (2021 - surplus £156,238). The principal elements of this are set out below. Net assets at the end of the year were £2,258,879 (2021: £2,622,821).

Income and expenditure

The charity's principal source of income is dividends, interest and the like earned by its investments. All such income is shown on a single line "income from investments" in the income and expenditure account. The trustees use this as a guide to the level of grants that the charity can afford to make.

Investments are carried at their market value. Market values rise and fall so movements in the value are to be expected every year. All such gains and losses appear together as "net gains on investments" in the income and expenditure account.

The combined return from investments was -7.8% (2021: 1.4%) during the financial year. The funds are monitored against the Wealth Management Association "Private Investor Balanced Index" which returned -8.1% (2021: 12.5%) over the same period. The FTSE All-Share index returned -3.2% (2021: 14.5%).

Reserves policy

The financial position of the charity is important to its future and is set out in the balance sheet. Funds are retained in order to generate an investment return which finances the operations of the charity. The charity is empowered to invest monies not immediately required for its purpose in or upon such investments, securities or property as may be thought fit and within the law. No restrictions are placed on the investment policy. The trustees aim to apply as much of the income and gains to granting bursaries when they can.

The trustees consider the current level of reserves held, return earned and grants made to be suitably matched to each other.

SMALL COMPANIES NOTE

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 26 April 2023 and signed on its behalf.

S J Sheldon
Director

WEST HEATH LIMITED
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INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF WEST HEATH LIMITED

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2022, which are set out on pages 6 to 14.

Responsibilities and basis of report

As the charity's trustees of the Company (who are also the directors of the company for the purposes of company law), you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").

Having satisfied myself that the accounts of the Company are not required to be audited for this year under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ("the 2011 Act"). In carrying out my examination, I have followed all the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

I have undertaken this examination in accordance with the requirements of the Financial Reporting Council's Ethical Standard in the circumstances set out in note 4 to these financial statements.

This report is made to the Charity's trustees, as a body, in accordance with the terms of my engagement. My work has been undertaken so that I might compile the financial statements that I have been engaged to compile, report to the Charity's trustees that I have done so, and state those matters that I have agreed to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees, as a body, for my work or for this report.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention which gives me cause to believe that:

- accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
- the accounts do not accord with such records; or
- the accounts do not comply with relevant accounting requirements under section 396 of the Companies Act 2006 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; or
- the accounts have not been prepared in accordance with the Charities SORP (FRS102).

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.

M K Lunt FCA
Creasey Son & Wickenden
Hearts of Oak House
Pembroke Road
Sevenoaks
Kent TN13 1XR
26 April 2023

WEST HEATH LIMITED
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**STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Income from investments	5	68,748	71,512
Charitable expenditure: Educational grants		(145,305)	(220,191)
Administrative expenses		(7,146)	(6,241)
Investment management fees		(18,559)	(20,666)
Operating loss		(102,262)	(175,586)
Amounts written off investments		(261,680)	331,824
Net movement in funds		(363,942)	156,238
 Total funds at the beginning of the year		 2,622,821	 2,466,583
(Deficit)/surplus for the year		(363,942)	156,238
Total funds at the end of the year		2,258,879	2,622,821

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of financial activities including income and expenditure account.

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

WEST HEATH LIMITED
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REGISTERED NUMBER: 483480

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	9	2,440,490	2,897,737
Current assets			
Debtors: amounts falling due within one year	10	54,485	34,581
Cash at bank and in hand	11	76,885	73,695
		<u>131,370</u>	<u>108,276</u>
Creditors: amounts falling due within one year	12	(9,380)	(11,014)
Net current assets		<u>121,990</u>	<u>97,262</u>
Total assets less current liabilities		<u>2,562,480</u>	<u>2,994,999</u>
Provisions for liabilities			
Other provisions		(303,601)	(372,178)
		<u>(303,601)</u>	<u>(372,178)</u>
Net assets		<u><u>2,258,879</u></u>	<u><u>2,622,821</u></u>
Capital and reserves			
Revaluation reserve		113,900	408,531
Profit and loss account		2,144,979	2,214,290
		<u><u>2,258,879</u></u>	<u><u>2,622,821</u></u>

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BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 April 2023.

S J Sheldon
Director

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

WEST HEATH LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. GENERAL INFORMATION

West Heath Limited is a private company limited by guarantee and registered in England and Wales. Consequently it does not have a share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the Company in the event of liquidation. It is also registered as a charity. The registered office is at Kings Manor, Copse Lane, Freshwater, Isle of Wight. Its principal activity is the making of educational grants in the United Kingdom. It is a public benefit entity.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention as modified by the fair valuation of certain assets and liabilities. They are in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland; Accounting and Reporting by Charities: Statement of Recommended Practice; the Companies Act 2006 and the Charities Act 2011.

These financial statements are prepared and presented in pounds Sterling. Values are rounded to the nearest £1. They present information for this company alone.

The preparation of financial statements in compliance with FRS 102 requires the use of certain accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 GOING CONCERN

The directors consider that there are no material uncertainties in respect of the charitable company's ability to continue as a going concern.

2.3 INCOME

Income is accounted for under the accruals concept. Donations and legacies are accounted for as soon as their amount and receipt are certain. This will normally be when they are received.

2.4 GRANTS MADE AND OTHER EXPENDITURE

Expenditure is accounted for under the accruals concept, when a present legal or constructive obligation exists at the balance sheet date as a result of a past event and where it is probable that a transfer of economic benefits will be required to settle the obligation and that amount can be estimated reliably.

When applied to grants for fees made to students this results in the full-term cost of those grants being recognised in the year in which they are agreed. Grants are reviewed annually to ensure that recipients continue to qualify and the provision for such grants is adjusted if necessary. Grants are paid directly to the school or college which the student attends. Grants cover only a proportion of the termly fee cost for any particular pupil.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.5 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.6 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

2.7 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.8 VALUE ADDED TAX

The Charity is not able to reclaim VAT suffered on its costs. Such costs are therefore shown inclusive of that VAT cost.

WEST HEATH LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgments and estimates that affect the recognition and value of some assets and liabilities at the balance sheet date and the amounts reported for revenues and expenses during the year. The following judgments have had the most significant effect upon amounts recognised in these financial statements:

Provision for educational grants

These financial statements recognise the anticipated cost of future grant payments which the company is committed to make. As future fees cannot be known with certainty a degree of judgment is required in arriving at the value carried in these financial statements.

4. OTHER WORK PERFORMED BY THE INDEPENDENT EXAMINER

In common with many other organisations of our size and nature our independent examiner and the staff who prepare our accounting records and these financial statements are members of the same practice. The Independent Examiner's report makes reference to this.

5. INCOME

	2022 £	2021 £
Dividends and interest earned from investment portfolio	<u>68,748</u>	<u>71,512</u>

6. GAINS AND LOSSES ON INVESTMENTS

	2022 £	2021 £
Net (losses)/gains on investments	<u>(261,680)</u>	<u>331,824</u>

The investment portfolio is carried at its current market value ("fair value"), not at its original cost. Movements in market value are credited/(charged) to the income and expenditure account. In the balance sheet the unrealised element of this valuation is carried in a separate reserve.

7. EMPLOYEES

Pension benefits were not accruing to any directors.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

8. EXPENDITURE

The larger items of expenditure are as follows:

	2022 £	2020 £
Educational grants	145,305	220,191
Investment manager's fees	18,559	20,666
Accountant's fees	4,680	4,440
Administrator's fees	2,063	390
	<u>169,607</u>	<u>245,687</u>

9. FIXED ASSET INVESTMENTS

	Listed investments £
Cost or valuation	
At 1 January 2022	2,897,737
Additions	495,447
Disposals	(691,014)
Revaluations	(261,680)
At 31 December 2022	<u>2,440,490</u>

These investments are the only investments held by the charity. They are held in order to generate an income stream which funds the charity's programme of making bursaries.

An independent investment manager invests the Company's funds in order to achieve both income and capital growth. Note 6 shows the fees payable to the investment managers.

At the balance sheet date the investment portfolio was split across 77 listed or traded equities, unit trusts, managed funds and fixed interest stocks. At the year end the largest single investment was valued at £145,981 and the smallest at £5,980.

All of the investments are listed or managed in the UK.

The investment portfolio is carried at its current market value ("fair value"), not at its original cost. Movements in market value are credited/(charged) to the income and expenditure account. At the balance sheet date the accumulated cost of the listed investments was £2,326,590 (2021- £2,489,206).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10. DEBTORS

	2022 £	2021 £
Other debtors	54,485	34,581

11. CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash at bank and in hand	76,885	73,695

12. CREDITORS: Amounts falling due within one year

	2022 £	2021 £
Accruals and deferred income	9,380	11,014

13. FINANCIAL INSTRUMENTS

	2022 £	2021 £
Financial assets		
Financial assets measured at fair value through profit or loss	2,440,490	2,897,737

"Financial assets measured at fair value through profit or loss" comprises the company's managed portfolio of equity investments. Market prices are readily available for each investment. The portfolio is the company's principal source of income. It is managed with the aim of generating income whilst maintaining its real capital value over the longer term. As with all market based investments its value can prove to be volatile over the medium term.

WEST HEATH LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

14. PROVISION FOR EDUCATIONAL GRANTS: PROFILE OF PAYMENTS

Educational grants awarded are recognised in full in the year in which the grant is awarded and the student satisfies any conditions imposed. As the agreed payments continue beyond the balance sheet date a provision is carried in the balance sheet being the entire remaining cost of all existing grants.

As the anticipated payments stretch several years into the future they have been discounted to allow for the time value of money, using an appropriate rate of return.

The profile of anticipated payments is:

	2022 £	2021 £
Within 1 year	164,411	190,622
2 years	70,893	117,474
3 years	46,759	47,776
4 years	23,064	25,669
5 and 6 years	13,990	7,182
less: reduction to present value	(15,516)	(16,545)
	<u>303,601</u>	<u>372,178</u>

The anticipated end dates of these grants lie between Summer term 2022 and Summer term 2026.

15. PROVISION FOR EDUCATIONAL GRANTS: MOVEMENT IN THE YEAR

	2022 £	2021 £
At 1 January	372,178	365,439
Whole life cost of grants offered and accepted during the year, and of adjustments to duration or value, and to present value adjustment	144,573	220,191
Less: monies paid during the year	(213,881)	(213,452)
	<u>302,870</u>	<u>372,178</u>

16. RELATED PARTY TRANSACTIONS

There were no transactions with related parties during the year or the prior year, or balances due to or from related parties at the year end or prior year end.

17. CONTROLLING PARTY

Throughout the current and previous year the company was controlled by its directors who are the trustees of the charity.