

Charity Registration No: 326959 (England and Wales)

THE HEATHSIDE CHARITABLE TRUST
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

THE HEATHSIDE CHARITABLE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Registered charity number	326959
Governing document	Trust deed dated 22 August 1985 (and supplemental Trust deed dated 25 September 2017)
Trustees	Sir Harry Solomon Lady Judith Solomon L S Jacobs G R Jayson D M Solomon J K Solomon S J Jacobs J B Jacobs
Auditor	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street London EC4A 4AB
Bankers	Lloyds TSB Private Banking PO BOX 46152 3 rd Floor 39 Threadneedle Street London EC2R 8AU
Investment Managers	UBS Wealth Management 5 Broadgate London EC2M 2QS Canaccord 41 Lothbury London EC2R 7AE
Contact address	Hillsdown House 32 Hampstead High Street London NW3 1QD

THE HEATHSIDE CHARITABLE TRUST

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THE HEATHSIDE CHARITABLE TRUST

TRUSTEES' 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 notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published on 01 January 2019.

Aims and objectives of the charity

The objects of the charity are making available funds for the benefit of such charitable institutions, or for such charitable purposes, as the trustees shall decide. The trustees identify organisations and projects it wishes to support and this generally arises from direct contacts rather than speculative applications.

The trustees have considered the principal risks to which the charity is exposed, and are satisfied that systems are in place to mitigate those risks.

Constitution and governance

The charity was established by a charitable trust deed on 22 August 1985 which was updated by a supplemental deed on 25 September 2017. The charity is registered with the Charity Commission under registration number 326959 and is an independent charity. The address of the principal office is 32 Hampstead High Street, London NW3 1QD. The Trustees are responsible for the overall management and control of the charity.

Trustees

The Trustees who served during the year are:

Sir Harry Solomon
Lady Judith Solomon
L S Jacobs
G R Jayson
D M Solomon
J K Solomon
S J Jacobs
J B Jacobs

The number of Trustees shall never be less than two and an additional Trustee or additional Trustees may be appointed at any time but so that the total number of Trustees shall at no time exceed ten in accordance with a supplemental deed dated 25 September 2017. The Trustees have the power of appointing new or additional Trustees.

The only trustees are family and trusted advisers. All of the trustees have been heavily involved in the charity world for many years and are experienced in the requirements of charities.

The Charity owned the Investment properties which were held by the Trustees on its behalf.

Review of activities

The charity received donations of £258,075 (2019: 203,500) during the year. These included gifts of £70,455 (2019: £150,000) from Sir Harry Solomon, £129,268 (2019: £50,000) from Lady Judith Solomon and £18,500 (2019: £Nil) from Daniel Solomon. The charity has made donations to charitable causes in accordance with its objects totalling £382,476 (2019: £422,596) and these are referred to in note 5 to the financial statements. 62 grants were made to charitable organisations covering Health, Education, Cultural and other general causes. The Trustees are of the opinion that the financial position of the charity at the balance sheet date is sufficient to meet its on-going activities on a fund by fund basis. The net assets at the year end date amounted to £5,001,490 (2019: £5,009,362).

Investment powers

The Trustees have wide investment powers and investments are made in properties, shares and unit trusts.

THE HEATHSIDE CHARITABLE TRUST

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

Investment policy

The Trustees' policy is to adopt a low risk investment strategy by spreading the Trust's assets over the various types of investment. Currently the assets are invested in cash, property, equities and venture capital funds. The investment policy is designed to maximise income and capital gain within a low risk environment and the trustees consider a broad range of investments mentioned above to include bonds, ethical investments and sustainable funds. The trustees monitor the performance of investments against their objectives and are satisfied that such objectives are being met.

The Trustees meet periodically to review investment policy during the year. They consider income requirements along with the investment advisor's view of market prospects. The current objective is an annual total return of between 5% to 8%. The Trustees consider that the investment performance of 5.7%, which was within this range in the year 31 December 2020, from the income and gains from funds invested was satisfactory given market conditions throughout the year.

Reserves policy

Whilst the Trustees wish to continue to make grants as they have done in the past, it is also their wish to maximise the Trust's reserves in order to give a base from which the Trust can run charitable projects of its own. The Trustees review the level of reserves on an annual basis and consider the current level of reserves of £5,001,490 (2019 - £5,009,362) to be appropriate for the Trust to maintain. The Trustees aim to have reserves in due course producing sufficient income and gains to fund the proposed annual grant expenditure, without the need to obtain substantial support from donations. To achieve this without restricting the Trust's ability to make grants at the current rate, the Trustees have set the sum of £8m - £10m as their reserves target and aim to achieve this through their investment strategy and donations. There are no restricted reserves (2019 - £Nil).

Recruitment of trustees and training

The composition of the Charity's board of trustees is reviewed regularly with a view to achieving a spread of expertise and age designed to facilitate the achievement of the Charity's objects. The Trustees keep up to date on their responsibilities by various means, such as reviewing the Charity Commission web site, reading relevant periodicals and professional advice.

One of the Trustees would be made responsible for the induction of any new Trustee which involves awareness of a Trustee's responsibilities, the governing document, administrative procedures, the history and philosophical approach of the Trust. A new Trustee would receive copies of the previous year's annual report and accounts and appropriate publications from the Charity Commission.

Grant making policy

The trustees will consider making grants to organisations (not individuals) that fall within its charitable objectives and invite relevant applications, particularly from organisations introduced by reliable contacts of the trustees.

The Trustees have complete discretion to pay any grants which fall within the charity's objects. Grants are considered on the basis of applications received and the Trustees meet four times a year to discuss and approve existing and new grants. They also communicate with each other at other times for this purpose should the need arise. Where grants, including overseas grants, are made for specified purposes, they are monitored by the Trustees to ensure that those purposes and any conditions attached to the grants are adhered to.

Key management personnel remuneration

The trustees consider the board of trustees as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration was paid in the year (2019 - £Nil).

Achievements and performance

The trustees made numerous donations to charitable causes in accordance with its objects during the course of the year. Further details are shown in note 5 to the accounts highlighting the number of grants made in the year being 63 (2019: 78). The trustees are satisfied that the organisations supported provide a good and valuable service to their beneficiaries.

THE HEATHSIDE CHARITABLE TRUST

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

Achievements and performance (Cont)

These included the furtherance of education, the care of the young, sick and elderly and the provision of community protection and other services.

The organisations supported are monitored by the Trustees by personal contact with officials of those organisations, review of the work actually carried out by them, and their published material and reputation.

Plans for future periods

The aim of the trustees for the next year is to continue making donations to various charities even though the donations may significantly exceed the income generated on the Trust's investments, in which case they will be funded from the growth in the investment portfolio, reserves or future donations.

Going concern

The Trustees do not believe there to be a material uncertainty over going concern due to the level of unrestricted reserves and the fact that the vast majority of expenditure is grants paid on a discretionary basis.

Risk factors

The Board of Trustees is responsible for the management of the risks faced by the charity.

All major risks to which the charity is exposed have been identified, assessed and controls established as appropriate. Consequently the Trustees are satisfied that the major risks have been mitigated.

The Trustees consider that the main risk that the Trust faces is the recoverability of the investments held and whether they will continue to generate income in order to further the Trust's objectives via the grant making policy. To manage the risk the Trustees continually review the investment strategy of the Trust to determine the spread of the investments, achieved performance and anticipated performance for the forthcoming year.

The charity has not been affected by Covid-19. Whilst the timing of the recovery from the pandemic is uncertain, the trustees do not consider there to be a material risk to the charity.

Public Benefit

The charity has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing its aims and objectives and in planning future activities. In particular the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The Charity does not engage in fund raising activities to meet its objectives or use any third party or commercial fundraisers and therefore has received no complaints.

THE HEATHSIDE CHARITABLE TRUST

TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2020

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom accounting standards, (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any 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 operation.

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

The trustees are responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

The trustees confirm that so far as they are aware, there is no relevant audit information of which the charity's auditors are unaware. They have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Re-appointment of auditors

A resolution to re-appoint RSM UK Audit LLP, Chartered Accountants, as auditors will be put to a meeting of the Trustees.

By order of the board



.....
Sir Harry Solomon
Trustee

Date - 25 October 2021

THE HEATHSIDE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HEATHSIDE CHARITABLE TRUST

Opinion

We have audited the financial statements of The Heathside Charitable Trust (the 'charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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 charity'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 Charities Act 2011.

Basis for opinion

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the 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 other information comprises the information included in the Trustees' Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' Report. Our opinion on the financial statements does not cover the other information and, 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.

THE HEATHSIDE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HEATHSIDE CHARITABLE TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept; or
- the 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 4, 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

THE HEATHSIDE CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HEATHSIDE CHARITABLE TRUST

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework, that the charity operates in and how the charity is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011, the charity's governing document, and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to any new or unusual transactions which may not be in accordance with the governing documents, inspecting any correspondence with local tax authorities.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the use of overseas grants paid (The Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017, the Bribery Act 2010). We performed audit procedures to inquire of management and those charged with governance whether the charity is in compliance with these law and regulations and inspected correspondence with grant recipients to ensure controls over monitoring of grants are operating effectively.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://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 charity's trustees as a body, in accordance with the Charities Act 2011. 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
25 Farringdon Street
London EC4A 4AB
27 October 2021

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE HEATHSIDE CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted funds	
	Note	Total 2020 £	Total 2019 £
Incoming from:			
Donations		258,075	253,500
Investments	2	59,245	64,434
		<hr/>	<hr/>
Total		317,320	317,934
		<hr/>	<hr/>
Expenditure on:			
Raising funds and property expenses	3	17,756	12,376
Charitable activities	4	415,956	435,202
		<hr/>	<hr/>
Total		433,712	447,578
		<hr/>	<hr/>
Net expenditure before gain on investments		(116,392)	(129,644)
Gain on investments		108,520	391,831
		<hr/>	<hr/>
Net movements in funds		(7,872)	262,187
Reconciliation of funds:			
Total funds brought forward		5,009,362	4,747,175
		<hr/>	<hr/>
Total funds carried forward		5,001,490	5,009,362
		<hr/>	<hr/>

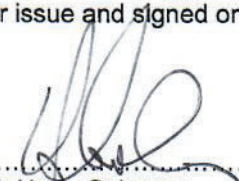
All recognised gains and losses are included in the Statement of Financial Activities.

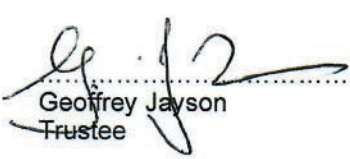
THE HEATHSIDE CHARITABLE TRUST

BALANCE SHEET AS AT 31 DECEMBER 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Investments	7		4,253,197		4,411,224
Current assets					
Debtors	8	374,140		376,111	
Cash at bank and in hand	8	391,405		268,379	
Total current assets		765,545		644,490	
Current liabilities					
Creditors: amounts falling due within one year	9	(17,252)		(46,352)	
Net current assets			748,293		598,138
Net assets			5,001,490		5,009,362
FUNDS					
Unrestricted funds	10		5,001,490		5,009,362

These financial statements were approved by the Board of Trustees on 25 October 2021 and authorised for issue and signed on its behalf by:


.....
Sir Harry Solomon
Trustee


.....
Geoffrey Jayson
Trustee

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Net cash used by operations	11	(202,765)	(270,561)
Cash flows from investing activities:			
Interest receivable		31,979	35,975
Dividends and rents from investments		27,265	28,459
Acquisition of investments		(682,225)	(533,132)
Disposal of investments		948,772	936,603
		<hr/>	<hr/>
Net cash from investing activities		325,791	467,905
		<hr/>	<hr/>
Net increase in cash and cash equivalents		123,026	197,344
Cash and cash equivalents at beginning of year		268,379	71,035
		<hr/>	<hr/>
Cash and cash equivalents at end of year		391,405	268,379
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Accounting convention

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 01 January 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 01 January 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest whole £, except where otherwise indicated.

Public benefit entity

The charity constitutes a public benefit entity as defined by FRS 102. The charity (registered no. 326959) is a trust that is domiciled in England and Wales. The principal address of the charity is Hillside House, 32 Hampstead High Street, London, NW3 1QD.

Going concern

The trustees do not believe there is a material uncertainty over going concern due to the level of unrestricted reserves and the fact that the vast majority of expenditure is grants paid on a discretionary basis. Therefore the trustees are comfortable that the charity's reserves will ensure it is able to endure any residual impact of the Covid-19 pandemic over a period of 12 months from the approval of these financial statements.

Accordingly, the Trustees do not consider there to be material uncertainties and continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees' Responsibilities.

Income

Bank interest, rental income and dividends are accounted for on a receivable basis. All income is included in the accounts on a receivable basis when the SORP income recognition criteria of entitlement, probability and measurement have been met.

Donations made by way of Gift Aid are reflected in the year in which they are receivable.

Expenditure

Grants Payable

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one year or multi-year grant. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to the grant is outside of the control of the Trust.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (cont)

Support and governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to audit and legal fees and are included in expenditure on charitable activities in the Statement of Financial Activities.

All costs are inclusive of irrecoverable VAT and are accounted for on an accruals basis.

Funds

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees in furtherance of the general charitable objectives.

Investments

Quoted investments are stated at market value at the balance sheet date.

Unquoted investments are held at historical cost unless there is evidence which the trustees deem gives a more reliable measurement of fair value.

Investment properties are stated at market value at the balance sheet date. The valuation of the properties are derived from online valuations of comparable properties by estate agents, current market rents and yields, adjusted if necessary for condition of the properties.

The investments are assessed for impairment at each reporting date and any impairment losses, or reversals of impairment losses are recognised immediately in the Statement of Financial Activities.

Profits and losses on disposals and unrealised gains and losses on revaluations of investments are shown in the Statement of Financial Activities as a single item under the heading "Gains on Investments".

Donated Goods and Services

The Trust receives administrative support and accounting services through a company associated with the Trustees. The value of this support is considered to not be material and accordingly is not recognised in these financial statements.

Taxation

The Heathside Charitable Trust is a registered charity and as such its income and gains falling within sections 471 to 489 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent they are applied to its charitable activities.

Financial instruments

The Trust has elected to apply the provisions of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues", of FRS102 in full, to all its financial instruments. Financial instruments are classified and accounted for according to the substance of the contractual arrangement as financial assets or financial liabilities. The Trust only has basic financial instruments.

Financial assets

Basic financial assets, which include accrued income, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost.

Financial liabilities

Basic financial liabilities, which include accruals, are initially measured at transaction price and are subsequently carried at amortised cost.

Foreign currency assets and transactions

Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. Bank balances denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All foreign exchange differences are taken to the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (cont)

Critical judgements and accounting estimates and assumptions

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. Apart from estimating the valuation of the investment properties, the Trustees do not consider there to be any significant accounting estimates or assumptions and judgements when preparing the financial statements.

2 Income from investments

	2020 £	2019 £
Dividends receivable (UK)	6,126	6,853
Interest received	31,979	35,975
Rental income	21,140	21,606
	<u>59,245</u>	<u>64,434</u>

3 Expenditure on raising funds and property expenses

	2020 £	2019 £
Investment management costs	9,475	6,149
Property expenses	8,281	6,227
	<u>17,756</u>	<u>12,376</u>

4 Expenditure on charitable activities

	2020 £	2019 £
Grants payable – note 5	382,476	422,596
Bank charges	32	312
Foreign exchange losses	16,636	58
Audit fees current year	16,812	12,018
Professional fees	-	218
	<u>415,956</u>	<u>435,202</u>

The trustees are the key management of the charity. The charity employed no staff during the year (2019: none).

5 Grants payable

During the year the charity made 63 grants totalling £382,476 (2019: 78 grants totalling £422,596) to a variety of charities in accordance with the grant making policy. All grants were made to institutions.

A full list of grants paid is available on request in writing from the charity's principal address which is shown on the page detailing legal and administrative information.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

5 Grants payable (cont)

An analysis of the grants paid by the charity is shown below (%):

Healthcare	35%	21%
Education	37%	40%
Welfare	2%	21%
Other	26%	18%
	<u>100%</u>	<u>100%</u>

6 Trustees' remuneration and connected party transactions

Trustees' remuneration

No remuneration or reimbursed expenses were paid to the trustees (2019: £Nil)

Donations:

The charity received donations from Sir Harry Solomon of £70,455 (2019 - £150,000), Lady Judith Solomon of £129,268 (2019 - £50,000) and Daniel Solomon of £18,500 (2019 - £Nil) respectively. These were exclusive of Gift Aid recovered.

Grants:

The charity made grants totalling £50,000 (2019 - £50,000) to The Portland Trust, of which Sir Harry Solomon, is also a trustee.

There were also four grants totalling £25,500 (2019 - £45,449) to charities of which other Trustees are a trustee.

Other

During the year the Trust made an interest free loan of £803 (2019 - £3,976) to Qttec Analytics Limited, a company connected to Sir Harry Solomon. At the year end date, an amount of £41,998 (2019 - £41,195) was owed by the company to the Trust and is fully recoverable.

There were no other outstanding balances (2019 - £nil) with connected parties at the year end.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

7 Fixed asset investment

	Investment Property £	Quoted £	Unquoted £	Total £
Market value at 1 January 2020	477,363	1,991,419	1,942,442	4,411,224
Additions	-	682,225	-	682,225
Disposals	-	(631,235)	(317,537)	(948,772)
Revaluation in year	(77,363)	4,150	181,733	108,520
Market value at 31 December 2020	<u>400,000</u>	<u>2,046,559</u>	<u>1,806,638</u>	<u>4,253,197</u>
Cost at 31 December 2020	<u>477,363</u>	<u>1,892,528</u>	<u>1,272,641</u>	<u>4,024,897</u>

	2020 £	2019 £
Material quoted investments greater than 5% by value:		
UBS - Resolution Fund UK	576,780	1,155,626
UBS – Sustainable Funds Portfolio	1,079,532	495,428
Artemis Alpha	150,311	131,999

The Trustees have adopted a policy of including Sustainable Funds in the managed portfolio.

8 Analysis of current assets

	2020 £	2019 £
Other debtors	374,140	376,111
Cash at bank and in hand	391,405	268,379
	<u>765,545</u>	<u>644,490</u>

9 Analysis of current liabilities

	2020 £	2019 £
Creditors due within one year		
Accruals	17,252	46,352
	<u>17,252</u>	<u>46,352</u>

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2020

10 Movement in funds during the year

	At 1 January 2020 £	Income £	Expenditure £	Gains and losses £	At 31 December 2020 £
Unrestricted funds	5,009,362	317,320	(433,712)	108,520	5,001,490
	<u>5,009,362</u>	<u>317,320</u>	<u>(433,712)</u>	<u>108,520</u>	<u>5,001,490</u>
Movement in funds during the prior year	At 1 January 2019 £	Income £	Expenditure £	Gains and losses £	At 31 December 2019 £
Unrestricted funds	4,747,175	317,934	(447,578)	391,831	5,009,362
	<u>4,747,175</u>	<u>317,934</u>	<u>(447,578)</u>	<u>391,831</u>	<u>5,009,362</u>

11 Reconciliation of net (expenditure)/ income to net cash flow from operating activities

	2020 £	2019 £
Net (expenditure)/income for the year	(7,872)	262,187
Adjustments for:		
Dividends, interest and rents from investments	(59,245)	(64,434)
Gains on investments	(108,520)	(391,831)
	<u> </u>	<u> </u>
Operating cash flows before movements in working capital	(175,637)	(194,078)
Decrease/(increase) in other debtors	1,971	(57,083)
Decrease in accruals	(29,100)	(19,400)
	<u> </u>	<u> </u>
Cash used in operations	<u>(202,765)</u>	<u>(270,561)</u>

12 Financial Instruments

The carrying amount of the Trust's financial instruments at 31 December were:

	2020 £	2019 £
Financial assets: held at fair value	3,853,197	3,933,861
	<u>3,853,197</u>	<u>3,933,861</u>