

Esh Foundation
Company Limited by Guarantee
Trustees' report and financial statements
for the year ended 31 December 2018

Company Registered Number 05501224

Charity Registered Number 1112040

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Esh Foundation

Company Limited by Guarantee

Trustees' report and financial statements for the year ended 31 December 2018

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Esh Foundation

Members of the board and professional advisers

Registered charity name:	Esh Foundation
Company registered number:	05501224
Charity number:	1112040
Registered office:	Esh House Bowburn North Industrial Estate Bowburn County Durham DH6 5PF
Trustees:	Mr R Batty Mr P Brooks Mr A J Carroll Jnr Mr J Flynn Ms K A Gray (resigned 8/3/18) Mr M F Hogan Mr J G Lumsden Mr G Parkin Mr M Sowerby (appointed 29/1/18)
Secretary:	Mr M Sowerby
Independent Examiner	Ms. A Urbanowicz BA ACA Pensbury Cotherstone Barnard Castle DL12 9PQ
Bankers:	Barclays Bank Plc 6/7 Market Place Durham City County Durham DH1 3ND Lloyds Banking Group 19 Market Place Durham DH1 3NL
Legal advisers:	Bond Dickinson St Ann's Wharf 112 Quayside Newcastle upon Tyne NE99 1SB

Esh Foundation

Trustees' report

The trustees, who are also directors for the purposes of company law, present their report and the financial statements of the Charity for the year ended 31 December 2018.

Reference and administrative details

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 2 of the financial statements.

The trustees

The trustees who served the Charity during the year and up to the date of signing the financial statements were as follows:

Mr R Batty
Mr P Brooks
Mr A J Carroll Jnr
Mr J Flynn
Ms K A Gray (resigned 8/3/18)
Mr M F Hogan
Mr J G Lumsden
Mr G Parkin
Mr M Sowerby (appointed 29/1/18)

Structure, governance and management

The Esh Foundation, trading as the Esh Charitable Trust, was registered with the Charity Commission on 11 November 2005, held its first Trustee meeting in January 2006 and made its first disbursement in March 2006.

The Trust was incorporated as a company, limited by guarantee, on 6 July 2005 and is governed by its Memorandum and Articles of Association.

The Trust is funded through periodic grants from Esh Holdings Limited (Esh Group), a private company whose main activities are civil engineering, construction and house building, based in County Durham.

At incorporation, The Esh Group was committed to supporting the Charity with grants of £1 million over 5 years, subject to profitability and is pleased to have passed the cumulative £1.5m mark. In 2018, the Group experienced continuing economic uncertainty coupled with challenging trading conditions and as a result, felt it inappropriate to make a significant monetary contribution to funds during the year. It did, however, maintain administrative support and hosted events to ensure the Charity continued successfully.

The Charity is governed by a board of up to 13 Trustees and as set out in the Articles of Association, the Chair of the Trustees is appointed by the Board of Esh Group. The donor company also has the power to appoint and remove from time to time the lesser of: three trustees; or the largest number of trustees as is equal to less than one half of the total number of trustees.

Subject to conditions set out in the Articles of Association, Trustees may also be appointed by the Trust, by ordinary resolution, in a general meeting.

Esh Foundation

Trustees' report (continued)

Structure, governance and management (continued)

New Trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the contents of the Memorandum and Articles of Association, the committee and the decision-making process.

The Trustees meet as required (either physically or virtually) to consider applications. The Charity has engaged County Durham Foundation, a separate charity, as managing agent. The County Durham Foundation manages the application process, disbursement and value for money review of disbursements.

The Trustees have conducted a review of the major risks to which the charity may be exposed and systems have been established to mitigate those risks.

Objectives and activities for the public benefit

The objectives of the Charity fall into five main areas. However, the Trustees have the discretion to award grants to any project outside these guidelines so long as it is charitable in nature. The Trustees confirm that they have referred to guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting the grant making policy for the year.

Children and young people - groups and projects that help children and young people access activities and services.

Vulnerable people - groups and projects working with disadvantaged and isolated people, in particular providing increased access to services and facilities for people with disabilities, the homeless and the elderly.

Environmental community regeneration - groups and projects looking to improve local facilities for community use including refurbishment of community buildings and greening and opening up access to the local physical environment.

Education, capacity and skills development - group and community based training and education programmes, particularly for those who have had no previous access to training opportunities, or for the longer-term unemployed.

Health - groups and community based projects providing access to healthy eating, increased physical activity and self-help services, which aim to improve the health and wellbeing of local people.

These objectives form part of the Charity's Published Guidelines, which are available to all applicants.

As funds allow the Charity invites applications for funding from organisations and institutions located within its area of benefit. The Trustees meet to review applications and approve or refuse grants as and when required.

Achievement and performance

The Trust has maintained a widely drawn and committed group of Trustees and is established in the charitable community in the North East, North West, Yorkshire and Scotland.

It continues to disburse limited grant funding to a diverse range of worthy causes throughout the North East, North West, Yorkshire and Scotland, and has maintained its running costs at the lowest possible level.

Esh Foundation

Trustees' report (continued)

Risk Management

The trustees have assessed the major risks to which the charity is exposed, in particular those relating to the operations and finances of the charity and are satisfied that systems are in place to mitigate exposure to these major risks.

Financial review

Due to the continuing economic uncertainty coupled with challenging trading conditions, the directors of Esh Group felt it inappropriate to make any grant contributions during the year.

The income and expenditure of the Charity is set out on page 8. Income was derived from a fund raising and hospitality event hosted by Esh Group amounting to £5,940 as well as £49 in interest on cash deposits.

Despite reduced income the Trust continued to make a number of grant awards out of existing funds, which it had accumulated from donations in prior years. As a result, 12 (2017: 58) individual grant awards were made totalling £41,418 (2017: £101,684).

The trustees receive no remuneration. No trustee has requested reimbursement of expenses, although this is available if required. The charity does not employ anyone and therefore has not been required to disclose any information about key management personnel.

Reserves policy

The Trustees have examined the Charity's requirements for reserves in light of the main risks to the organisation. It has established a policy whereby a minimum of two years' running expenses, calculated to not be more than £6,000, will be maintained as a reserve. At the year end the free resources of the charity were £3,885 (2017: £38,037), which although it is acknowledged is below the stated target, it allows the charity to continue to attain future funding and is considered reasonable at the current level of activity and circumstances of the charity.

Plans for future periods

The Trust's immediate plans are to continue to disburse grants according to the guidelines it has adopted. Esh Group is currently reviewing the amount of funding for the trust in the current year and in the meantime the ability to disburse grants will be diminished and limited to the reserves and ongoing fundraising.

Fundraising

The trust does not carry out any public fundraising activities but is aware of the need to publish conformity with fundraising best practice where it does.

Statement of trustees' responsibilities in respect of the trustees' report and the financial statements

The trustees (who are also directors of Esh Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Esh Foundation

Trustees' report (continued)

Statement of trustees' responsibilities in respect of the trustees' report and the financial statements (continued)

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 company will continue in business.

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

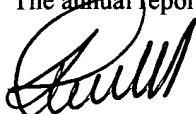
The trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Conclusion

The Esh Charitable Trust has successfully carried out its purpose for 13 years now with over £1.5m donations from the Esh Group to date, going to good causes. This ongoing support has allowed the Trustees to continue to disburse grants in line with its objectives. The Trustees remain cautious about extending its grant programmes further until there is an improvement in the UK economic conditions, and consequently the outlook for further contributions from Esh Group. The Trustees were pleased to note that Esh Group has donated £5,000 to the Trust in April 2019.

I would like to take this opportunity to thank all those, who have given their time voluntarily in the operation of this charity, especially the employees of Esh Group and my fellow trustees. Their commitment and enthusiasm has been unstinting.

The annual report was approved by the trustees of the charity on 5 July 2019 and signed on its behalf by:



Mr A J Carroll
Trustee

Esh Foundation

Independent examination review for the members of Esh Foundation

I report on the accounts of the charity for the year ended 31 December 2018 which are set out on pages 8 to 17.

Responsibilities and basis of reports

The trustees (who are also the directors of the company for the purposes of company law) 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 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 the directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

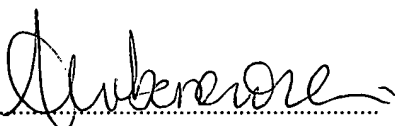
Independent examiner's statement

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

- (1) accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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
- (4) the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

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.

Ms. A. Urbanowicz BA ACA

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Pensbury
Cothelstone
Barnard Castle
DL12 9PQ

Date: 5 / 7 / 2019

Esh Foundation

Statement of financial activities (incorporating the Income and Expenditure account) for the year ended 31 December 2018

		Unrestricted funds 2018	Restricted funds 2018	Total funds 2018	Total funds 2017
	Note	£	£	£	£
Income and endowments from:					
Income from donations, legacies and other trading activity					
Donations and legacies	1	5,940	-	5,940	42,570
Income from Investments	2	49	-	49	8
Total income and endowments		5,989	-	5,989	42,578
Expenditure on:					
Expenditure on charitable activities	3	(40,141)	-	(40,141)	(100,131)
Total expenditure		(40,141)	-	(40,141)	(100,131)
Net income for the year		(34,152)	-		(57,553)
Reconciliation of funds					
Funds balances brought forward		38,037	-	38,037	95,590
Fund balances carried forward	10	3,885	-	3,885	38,037

The statement of financial activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

There is no material difference between reported result for the financial year stated above and their historical cost equivalents.

All of the above amounts relate to continued activities.

Esh Foundation

Balance sheet as at 31 December 2018

		2018	2017
	Note	£	£
Current assets			
Cash at bank and in hand		3,898	40,849
Total current assets		3,898	40,849
Creditors: amounts falling due within one year	9	(13)	(2,812)
Net current assets		3,885	38,037
Total assets less current liabilities		3,885	38,037
The funds of the charity			
Unrestricted income funds	10	3,885	38,037
Total charity funds		3,885	38,037

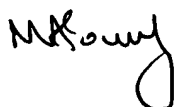
For the year ending 31st December 2018, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements on pages 8 to 17 were approved by the Trustees on 5th July 2019 and were signed on its behalf by:



Mr M Sowerby
Trustee

Company number: 05501224

Charity number: 1112040

Esh Foundation

Statement of accounting policies

1 Charity Status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

2 Accounting Policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with applicable 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 102A) and the Companies Act 2006.

Basis of preparation

The charity meets the definition of a public benefit entity under FRS102.

These financial statements are prepared at historical cost.

The accounts are presented in sterling, which is the functional currency of the charity.

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Going concern

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Estimation Uncertainty and Judgements

The preparation of the financial statements require management to make judgements, estimates and assumptions that affect the amounts reported.

Cash flow statements

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Esh Foundation

Statement of accounting policies (continued)

2 Accounting Policies (continued)

Fund accounting

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed.

Unrestricted fund comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds can include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable are payments made to third parties in furtherance of the charitable objects of the Foundation. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation they will receive the grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive the grant and any condition attaching to the grant is outside the control of the Foundation.

Provision is made for grants when the intention of the grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

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 relating to waiver of past fees accrued.

Charitable activities

Cost of charitable activities include grants made to organisations and institutions.

Irrecoverable VAT

The charity is not registered for VAT purposes. Irrecoverable VAT is charged in the Statement of Financial Activities against the expenditure to which it relates.

Income

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured.

Donations

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of general nature are recognised where there is entitlement, probable receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Esh Foundation

Statement of accounting policies (continued)

2 Accounting Policies (continued)

Investment Income

Investment income is recognised on a receivable basis.

Income tax is recoverable in relation to investment income and is recognised at the time the investment income is receivable.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Cash and Cash Equivalents

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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 risk 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.

Esh Foundation

Notes to the financial statements for the year ended 31 December 2018

1 Donations and legacies

	Unrestricted 2018 £	Restricted 2018 £	Total 2018 £	Total 2017 £
Donations, events and other voluntary income	5,940	-	5,940	42,570

2 Income from Investments

	Unrestricted 2018 £	Restricted 2018 £	Total 2018 £	Total 2017 £
Bank interest payable	49	-	49	8

3 Charitable activities

	Grant funding activities 2018 £	Fund raising costs 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Charitable donations	41,418	(1,320)	43	40,141	100,131

Esh Foundation

Notes to the financial statements for the year ended 31 December 2018 (continued)

4 Analysis of grants

	2018	2017
	£	£
Grants to institutions		
Aberdour Kids Football Club	-	500
ACE Cornton	-	1,000
Amy's House	-	1,000
Artists Collective Gallery	500	1,000
Artworks Creative Communities	-	993
Aztec Print	-	100
Barnsley Libraries & Information Centre	-	1,000
Borders Health Board	-	1,000
Bowburn Youth FC	-	350
Bringing Words to Life	-	1,000
Butterwick Hospice Care	5,000	5,000
Charles Young Centre	-	985
Community Campus 87	-	1,000
Cultures CIC	1,000	-
Cumbrian Youth Alliance	-	1,000
Drop Zones Youth Projects	-	1,000
Eagles Community Foundation	20,000	20,000
East Durham Development Trust	1,000	-
Ebor Vale Riding for the Disabled	-	1,000
Eleven Arches	5,000	-
Esh Winning AFC	-	5,000
Food Train Friends	-	500
Foundation of Light (SAFC)	-	10,400
Fresh Start	-	1,000
Galashiels Academy	-	1,000
Growing Well	-	1,000
Growing Works	-	1,000
Hartlepool Bereavement Service	-	1,000
Hat Trick	510	-
Healing Opportunity Provisions Scheme	-	1,000
Hemlington detached Youth Work	-	1,000
Josie's Dragonfly Trust	-	1,000
Leeds Carnegie Foundation (Leeds Force Basketball)	-	12,000
Little Treasures	-	1,000
Meadow Well Connected	-	1,000
Melville Housing Association	-	1,000
Mowbray Volunteers & Arrivals	-	1,000
Northumberland Community Voluntary Action	-	1,000
Our Lightbulb	-	975
Perth Green Community Association	945	-
Playin Newcastle	-	908

Esh Foundation

Notes to the financial statements for the year ended 31 December 2018 (continued)

4 Analysis of grants (continued)

	2018	2017
	£	£
Grants to institutions (continued)		
Plimney Youth Club	-	600
Princes Trust	663	-
Remembering Rebecca	-	800
Riverside Housing Carlisle	-	500
Sam Radio	-	310
Sensory Leeds	-	800
Sign Post	-	747
SPRED Motherwell	-	500
Springwood Residents Group	-	400
St Catherine's Church Centre	-	500
St Cuthbert's Hospice	5,000	5,000
St Peter's Church	-	368
Stainforth 4 All	-	1,000
Swinnow Community Centre	-	658
Tankersley St Peters Primary Sch	-	1,000
Tees River Trust	-	1,000
The Himmet Project	-	800
The Peoples Kitchen	-	990
Thornaby Community Kitchen	-	1,000
Trinity Methodist Scout Group	800	-
Upperby Park FC U9s	-	1,000
Useful Vision	1,000	-
Victoria's Wish	-	1,000
West Lothian Woman's Aid	-	1,000
Whitby Hidden Impairments	-	1,000
Total grants	41,418	101,684
Support costs of grant-making	43	13

5 Net outgoing resources for the year

This is stated after charging:	2018	2017
	£	£
Independent Examiners fees/ External auditors' fees for audit	-	1,320

The 2018 Independent Examiners fee has been waived.

Esh Foundation

Notes to the financial statements for the year ended 31 December 2018 (continued)

6 Staff costs and emoluments

No salaries or wages have been paid to employees, including the trustees, during the current or preceding year. The trustees were the only employees in the year.

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

7 Independent examiner's remuneration

	2018	2017
	£	£
Examination of the financial statements	-	1,320

8 Taxation

The charity is a registered charity and is therefore exempt from taxation.

9 Creditors: amounts falling due within one year

	2018	2017
	£	£
Accruals and deferred income	13	2,812

10 Statement of funds

	Balance at 1 January 2018	Incoming resources	Outgoing resources	Balance at 31 December 2018
	£	£	£	£
Unrestricted income funds	38,037	5,989	40,141	3,885

Esh Foundation

Notes to the financial statements for the year ended 31 December 2018 (continued)

11 Analysis of net assets

	Net current assets	2018 Total
	£	£
Unrestricted income funds	3,885	3,885

12 Related party transactions

During the year, £2,154 (2017: £13) was paid to Esh Holdings as direct reimbursement of expenses paid on behalf of Esh Foundation. The costs were charitable activities (2017: charitable activities) and no personnel time or administration fee was recharged.

No emoluments or expenses have been paid, or are due to be paid, to any Trustee.

Donations in the year received from Esh Holdings were £nil (2017: £40,000).

13 Company limited by guarantee

The Charity is incorporated as a company limited by guarantee and is governed by its Memorandum and Articles of Association.

14 Ultimate controlling party

The Trustees consider that the Charity has no ultimate controlling party other than the Board of Trustees.