

REGISTERED COMPANY NUMBER: 04764003 (England and Wales)
REGISTERED CHARITY NUMBER: 1112920

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023
FOR
HARVEY'S FOUNDRY TRUST

Lang Bennetts Audit Limited
The Old Carriage Works
Moresk Road
TRURO
Cornwall
TR1 1DG

HARVEY'S FOUNDRY TRUST

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FOR THE YEAR ENDED 31 MAY 2023

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HARVEY'S FOUNDRY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 MAY 2023

TRUSTEES

B Capper - nominated by Hayle Town Council
N J Harvey (resigned 10/7/2022)
S D Johnson (appointed 13/7/2022)
R H Lello
J R Lloyd
R J G Morton
D J Pollard (deceased 12/12/2022)
K J T Rickard
S M R Thomas
J Bennett (deceased 2/6/2022)
K McHugh (appointed 6/11/2022)
S Benney - nominated by Hayle Town Council
P Channon - nominated by Cornwall Council

REGISTERED OFFICE

24 Foundry Square
Hayle
Cornwall
TR27 4HH

**REGISTERED COMPANY
NUMBER**

04764003 (England and Wales)

REGISTERED CHARITY NUMBER 1112920

AUDITORS

Lang Bennetts Audit Limited
The Old Carriage Works
Moresk Road
TRURO
Cornwall
TR1 1DG

SOLICITORS

GA Solicitors
25 Lockyer Street
Plymouth
DEVON
PL1 2QW

BANKERS

Barclays Bank Plc
8-9 Market Jew Street
Penzance
Cornwall
TRAD 2TW

HARVEY'S FOUNDRY TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MAY 2023

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 May 2023. The trustees have adopted the provisions of 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 2019).

This report serves the purposes of both a trustees' report and a directors' report under company law.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity's objects are:

to promote the preservation, protection, development, improvements and education for the benefit of the people of Hayle, the county of Cornwall and the nation, the natural, historical, architectural and constructional heritage, features, objects, collections and projects of historic and public interest, including buildings (as defined in section 336 of the Town and Country planning Act 1990) of particular beauty of historical, architectural or constructional interest.

Significant activities

Our main activities in support of our charitable objectives for the year ending 31 May 2023 were:

General Trust activities

The new facilities and estates officer has settled in well and a backlog of maintenance jobs have been resolved. Lettings are going well with the building operating at 95% occupancy through the year. We have agreed a forward strategy 2023-2026, which will focus the Trusts activities for the next three years.

Hayle Heritage Centre

The centre, has had a pop up exhibition and run a number of events, including talks, tours and workshops, all of which were well attended showing a demand for such activity in the town.

We are also getting the highest number of visits since the lockdown.

We are developing the John Harvey House project and have applied to a number of funders including; Arts Council MEND grant, Good Growth Fund and the Community Capacity Fund.

This project will see the closure of the centre and the rectifying of the building structural problems enabling us to come off the HAR.

Public benefit

The Trust's core values (public benefits) are: Regeneration, Education and Conservation.

We fulfil those values through a variety of mechanisms:

- Using history as a basis for community cohesion and giving Hayle's residents a sense of place.
- Protecting and promoting Hayle's history, thus encouraging a cultural tourism.
- Working with all five local primary schools, Hayle Community School and the local colleges - offering field trips, learning packs and joint collaborative projects to enhance the curriculum.
- Rebuilding decrepit yet historically important buildings which in turn enhances a run down underused area, thus encouraging private individuals to do the same.
- Creating affordable yet high quality office and workspace to allow local small business to grow, thus increasing the opportunity for high quality jobs.
- Providing a wide range of volunteering opportunities with a fully supported training programme.

The trustees confirm that they have referred to the 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 projects.

HARVEY'S FOUNDRY TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MAY 2023

ACHIEVEMENT AND PERFORMANCE

Fundraising activities

The organisation does not carry out significant fundraising activities.

FINANCIAL REVIEW

Financial position

The charity had an overall surplus of £24,025 for the year ending 31 May 2023. Of this, a surplus of £37,239 relates to restricted funds, which mainly represents the restricted grants received in the year for the John Harvey House build less the depreciation of fixed assets held for restricted purposes. Unrestricted funds had a deficit of £13,214 for the year.

Total funds at the year end amounted to £2,766,996 (2022: £2,742,971), of which unrestricted funds represented £175,820 (2022: £189,034).

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 the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be 6 months of the core costs plus loan repayment costs. The target is £91,000 in general funds. The reserves are needed to meet the working capital requirements of the charity and the trustees are confident that at this level they would be able to continue the current activities of the charity in the event of a significant drop in funding. The balance of general reserves held (excluding funds held as fixed assets and excluding the mortgage balance) at 31 May 2023 were £125,097 (2022: £131,491).

Going concern

The Trust considers that the charity is a going concern.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 14 May 2003 and registered as a charity on 3 February 2006. The company was established under a Memorandum of Association which established the objects and powers of the charity and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £10.

Recruitment and appointment of new trustees and management committee

The directors of the company are also charity trustees for the purposes of charity law. Under the requirements of the Memorandum and Articles of Association, Directors elected by the Members of the Trust serve for a maximum of 3 years and are subject to retirement by rotation. Nominated Directors serve at the discretion of the nominating body.

Members, entitled to vote at General and Extraordinary Meetings, comprise:

- i) the subscribers to the memorandum
- ii) the appointing bodies
- iii) such other persons or organisations as are admitted to membership in accordance with the rules made under Article 61.

Directors may apply to be registered as Members and all have done so.

All Members will be circulated with invitations to nominate Trustees prior to the AGM advising them of the retiring Trustees and requesting nominations for the AGM.

New Trustees will be invited and encouraged to attend an induction and training session to familiarise themselves with the charity and the context within which it operates. These are jointly led by the Chair of the Board of Trustees and Heritage & Business Manager' of the charity. New trustees are provided with a pack containing information covering the following:

- The content of the memorandum and articles of association.
- Set of recent board papers and minutes and dates of next meetings
- Annual reports from the previous year
- Operating documents

HARVEY'S FOUNDRY TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MAY 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

Trustees meet quarterly and are responsible for the strategic direction and policies of the charity. Currently there are 9 trustees.

The Heritage and Business Manager is Laura Walton, who reports to the Trustees.

Key management remuneration

The key management personnel of the charity is the Heritage and Business Manager and her employee benefits for the year were £38,273 (2022: £40,610).

Related parties

Mr D J Pollard (deceased) was a Cornwall Councillor. Mr P Channon is also a Cornwall Councillor.

Mr B Capper is a Hayle Town Councillors. Mr S Benney was also a Hayle Town Councillor until his retirement.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Board of Trustees has conducted a review of the major risks to which the charity is exposed. A risk register is being drawn up and will be updated at least annually. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with Health and Safety of staff, volunteers, and clients.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Harvey'S Foundry Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

HARVEY'S FOUNDRY TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MAY 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AUDITORS

The auditors, Lang Bennetts Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on *31st January 2024* and signed on its behalf by:



.....
B Capper - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HARVEY'S FOUNDRY TRUST

Opinion

We have audited the financial statements of Harvey'S Foundry Trust (the 'charitable company') for the year ended 31 May 2023 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 May 2023 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

Basis for opinion

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HARVEY'S FOUNDRY TRUST**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HARVEY'S FOUNDRY TRUST

Our 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 a Report of the Independent Auditors 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 our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity and determined that the most significant are those that relate to financial compliance (for example in relation to taxation, company and charity law), relevant regulatory standards for the sector in which the charity operates, employment matters and other relevant laws and regulations.

We assessed the risks of material misstatement in respect of fraud as follows:

- We made enquiries of the trustees and management in relation to any non-compliance of laws and regulations, potential litigation and claims or any knowledge of actual, suspected or alleged fraud.
- We considered the risk of fraud through management override of controls.
- We considered the risk of fraud through revenue recognition.

Based on the results of our risk assessment, we designed our audit procedures to identify and to address material misstatements in relation to fraud, as follows:

- Legal fees were reviewed to identify any potential non-compliance of laws and regulations.
- We reviewed the minutes of trustee meetings to identify matters relevant to our audit.
- We reviewed material manual journal entries for evidence of management override or fraud.
- We tested specific instances of grant income for the correct application of the revenue recognition rules.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion. As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HARVEY'S FOUNDRY TRUST

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



James Pearce FCA (Senior Statutory Auditor)
for and on behalf of Lang Bennetts Audit Limited
The Old Carriage Works
Moresk Road
TRURO
Cornwall
TR1 1DG

Date: 1/2/28

HARVEY'S FOUNDRY TRUST

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MAY 2023

	Notes	Unrestricted fund £	Restricted funds £	Endowment funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies		1,096	-	-	1,096	996
Charitable activities						
Protection and promotion of Hayle's heritage		338,773	42,704	-	381,477	307,329
Other trading activities	3	1,376	-	-	1,376	1,394
Investment income	4	192	-	-	192	9
Other income		58	-	-	58	-
Total		341,495	42,704	-	384,199	309,728
EXPENDITURE ON						
Raising funds		2,356	-	-	2,356	851
Charitable activities						
Protection and promotion of Hayle's heritage		352,353	5,465	-	357,818	322,954
Total		354,709	5,465	-	360,174	323,805
NET INCOME/(EXPENDITURE)		(13,214)	37,239	-	24,025	(14,077)
RECONCILIATION OF FUNDS						
Total funds brought forward		189,034	1,196,412	1,357,525	2,742,971	2,757,048
TOTAL FUNDS CARRIED FORWARD		175,820	1,233,651	1,357,525	2,766,996	2,742,971

The notes form part of these financial statements

HARVEY'S FOUNDRY TRUST

BALANCE SHEET **31 MAY 2023**

	Notes	Unrestricted fund £	Restricted funds £	Endowment funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS						
Tangible assets	10	10,762	-	699,999	710,761	707,711
Heritage assets	11	497,806	1,226,509	657,526	2,381,841	2,376,778
		<u>508,568</u>	<u>1,226,509</u>	<u>1,357,525</u>	<u>3,092,602</u>	<u>3,084,489</u>
CURRENT ASSETS						
Stocks	12	2,249	-	-	2,249	3,872
Debtors	13	40,677	-	-	40,677	71,683
Cash at bank and in hand		191,573	7,142	-	198,715	197,262
		<u>234,499</u>	<u>7,142</u>	<u>-</u>	<u>241,641</u>	<u>272,817</u>
CREDITORS						
Amounts falling due within one year	14	(123,216)	-	-	(123,216)	(159,550)
		<u>111,283</u>	<u>7,142</u>	<u>-</u>	<u>118,425</u>	<u>113,267</u>
NET CURRENT ASSETS						
		<u>111,283</u>	<u>7,142</u>	<u>-</u>	<u>118,425</u>	<u>113,267</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		619,851	1,233,651	1,357,525	3,211,027	3,197,756
CREDITORS						
Amounts falling due after more than one year	15	(444,031)	-	-	(444,031)	(454,785)
		<u>175,820</u>	<u>1,233,651</u>	<u>1,357,525</u>	<u>2,766,996</u>	<u>2,742,971</u>
NET ASSETS						
		<u>175,820</u>	<u>1,233,651</u>	<u>1,357,525</u>	<u>2,766,996</u>	<u>2,742,971</u>
FUNDS	18					
Unrestricted funds					175,820	189,034
Restricted funds					1,233,651	1,196,412
Endowment funds					1,357,525	1,357,525
TOTAL FUNDS					<u>2,766,996</u>	<u>2,742,971</u>

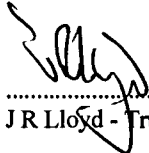
The notes form part of these financial statements

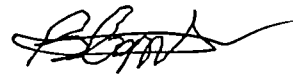
HARVEY'S FOUNDRY TRUST

BALANCE SHEET - continued
31 MAY 2023

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 31st January 2024 and were signed on its behalf by:


.....
J R Lloyd - Trustee


.....
B Capper - Trustee

The notes form part of these financial statements

HARVEY'S FOUNDRY TRUST

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MAY 2023**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant policy note.

The charity is a private company limited by guarantee, incorporated in England and Wales (company number 04764003) and the charity is registered in England and Wales (charity number 1112920). The registered office is detailed on page 1.

The presentation currency of the financial statements is the Pound Sterling (£).

Preparation of accounts on a going concern basis

The trustees consider there are no material uncertainties about the charity's ability to continue as a going concern. The review of the financial position, reserves levels and future plans gives the trustees confidence the charity remains a going concern for the foreseeable future.

Income

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable, except insofar as they are incapable of financial measurement. Donations received for general purposes of the charity are included as unrestricted funds. Donations for activities restricted by the wishes of the donor are taken to restricted funds. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as endowments - permanent or expendable according to the nature of the restriction.

Grants, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which the charity is entitled to the grant, that it is probable that they are receivable and that they can be reliably measured.

When donors specify that donations and grant's given to the charity must be used in future accounting period, the income is deferred until those periods.

Incoming resources from charitable activity are accounted for when earned. Rents and service charges from lettings are recognised in the Statement of Financial Activities on a straight line basis in line with the tenancy agreement from the date the property was first let.

Investment income is included when receivable.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's Archive Centre.

HARVEY'S FOUNDRY TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 MAY 2023**

1. ACCOUNTING POLICIES - continued

Expenditure

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office equipment - 25% on cost and 20% on cost

Individual fixed assets costing £250 or more are capitalised at cost.

Freehold property is held at valuation based on market value.

Heritage assets

Heritage assets are capitalised at cost or market value at the date of transfer. The value of the heritage assets is reviewed periodically and adjustments for impairment are made as necessary. Any heritage assets are held by the charity for a historical purpose and to advance the preservation and conservation objectives of the charity. A list of properties held as heritage assets is maintained by the Trustees.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

The endowment fund represents those assets which must be held permanently by the charity, principally the freehold properties. Income arising from the endowment fund can be used in accordance with the objects of the charity and is included as unrestricted income.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Donated goods

Donated fixed assets are included in income at the estimated value of the gift to the charity when received, with the other entry being capitalised in fixed assets. For gifted heritage assets, these are included at market value at date of gift.

HARVEY'S FOUNDRY TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 MAY 2023**

1. ACCOUNTING POLICIES - continued

Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic instruments. Basic financial instruments are initially recognised at a transaction value and subsequently measured at their settlement value.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount, offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash 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.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on experience and industry knowledge. Actual results may differ from these estimates.

The primary judgements and estimates made in the financial statements are depreciation rates of fixed assets and the valuation of freehold property and heritage assets.

Depreciation is expenses at a rate that is determined to best represent the useful economic life of relevant assets, which is reviewed by the trustees, along with the associated estimated residual values.

The trustees review the valuation of heritage assets and freehold properties annually for impairment. The trustees obtain third party valuations periodically to assist them in this review. Although these estimates are based on the trustees' best knowledge of the amount, events or actions, actual results may differ from their estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

HARVEY'S FOUNDRY TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2023

3. OTHER TRADING ACTIVITIES

	2023	2022
	£	£
Shop income	<u>1,376</u>	<u>1,394</u>

4. INVESTMENT INCOME

	2023	2022
	£	£
Interest receivable	<u>192</u>	<u>9</u>

5. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Protection and promotion of Hayle's heritage	<u>66,492</u>	<u>6,184</u>	<u>72,676</u>

6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2023	2022
	£	£
Auditors' remuneration	5,850	5,280
Depreciation - owned assets	6,385	8,413
Deficit on disposal of fixed assets	<u>882</u>	<u>-</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 May 2023 nor for the year ended 31 May 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 May 2023 nor for the year ended 31 May 2022.

8. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	122,210	115,918
Social security costs	6,898	6,803
Other pension costs	<u>2,140</u>	<u>2,032</u>
	<u>131,248</u>	<u>124,753</u>

The average monthly number of employees during the year was as follows:

	2023	2022
	4	4

HARVEY'S FOUNDRY TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 MAY 2023**

8. STAFF COSTS - continued

No employees received emoluments in excess of £60,000.

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Endowment funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	996	-	-	996
Charitable activities				
Protection and promotion of Hayle's heritage	307,329	-	-	307,329
Other trading activities	1,394	-	-	1,394
Investment income	9	-	-	9
Total	309,728	-	-	309,728
EXPENDITURE ON				
Raising funds	851	-	-	851
Charitable activities				
Protection and promotion of Hayle's heritage	315,364	7,590	-	322,954
Total	316,215	7,590	-	323,805
NET INCOME/(EXPENDITURE)	(6,487)	(7,590)	-	(14,077)
RECONCILIATION OF FUNDS				
Total funds brought forward	195,521	1,204,002	1,357,525	2,757,048
TOTAL FUNDS CARRIED FORWARD	189,034	1,196,412	1,357,525	2,742,971

HARVEY'S FOUNDRY TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 MAY 2023**

10. TANGIBLE FIXED ASSETS

	Freehold property £	Office equipment £	Totals £
COST OR VALUATION			
At 1 June 2022	700,000	89,740	789,740
Additions	5,174	2,752	7,926
Disposals	-	(7,187)	(7,187)
Reclassification	2,391	-	2,391
	<hr/>	<hr/>	<hr/>
At 31 May 2023	707,565	85,305	792,870
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1 June 2022	-	82,029	82,029
Charge for year	-	6,385	6,385
Eliminated on disposal	-	(6,305)	(6,305)
	<hr/>	<hr/>	<hr/>
At 31 May 2023	-	82,109	82,109
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 May 2023	707,565	3,196	710,761
	<hr/>	<hr/>	<hr/>
At 31 May 2022	700,000	7,711	707,711
	<hr/>	<hr/>	<hr/>

Cost or valuation at 31 May 2023 is represented by:

	Freehold property £	Office equipment £	Totals £
Valuation in 2021	699,999	-	699,999
Cost	7,566	85,305	92,871
	<hr/>	<hr/>	<hr/>
	707,565	85,305	792,870
	<hr/>	<hr/>	<hr/>

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	2023 £	2022 £
Cost	7,566	1
	<hr/>	<hr/>

The freehold land and building was valued on a market value basis on 24 September 2021 by Andrew Ranson MRICS of Miller Commercial.

Included in freehold property is £7,565, which represents the legal costs for the land at the Viaduct that was gifted to the charity after the year end. This was not part of the valuation in 2021 detailed above.

Freehold property with a carrying amount of £700,000 has been pledged to secure borrowings of the company. There is also a second charge on this property in favour of Cornwall Council, where the charity would be liable to pay £110,000 to the Council in the event that the property was sold. This will expire on 1 July 2030.

HARVEY'S FOUNDRY TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2023

11. HERITAGE ASSETS

	Total £
MARKET VALUE	
At 1 June 2022	2,376,778
Additions	7,454
Reclassification	(2,391)
	<hr/>
At 31 May 2023	2,381,841
	<hr/>
NET BOOK VALUE	
At 31 May 2023	2,381,841
	<hr/>
At 31 May 2022	2,376,778
	<hr/>

On 30 May 2007 the freehold property 'Foundry Farm' was gifted to Harvey's Foundry Trust from Penwith District Council. The independent market value at the date of the gift was £500,000 and legal costs were £2,354. The current value in the accounts is £500,000 but this excludes East Stables, which are leased to The Guinness Trust (London Fund) on a peppercorn rent for 125 years from 2007. The charity holds the title to this property but it is not considered to be an asset in the charity accounts.

On 23 March 2009, the freehold properties known as John Harvey House and Dowren House was purchased from Penwith District Council for £2. The independent market value at the date of the gift was £750,000. These properties have since been revalued and Dowren House reclassified as a tangible asset in 2021 (see below).

On 26 February 2015, the freehold property 'Plantation Store' was gifted to Harvey's Foundry Trust from Cornwall Country Council. The independent market value at the date of the gift was £35,000 and legal costs were £2,504. At 31 May 2015 there was an overage agreement in favour of Cornwall Council. There is a charge registered against this property by the Trustees of National Heritage Memorial Fund.

On 21 December 2015, the freehold property 'Pattern Shop/Cart Shed' was transferred to Harvey's Foundry Trust from Sennybridge (Hayle) Ltd. The independent market value at the date of the transfer was £40,000. There is a charge registered against this property by the Trustees of National Heritage Memorial Fund.

During 2016 and 2017, Artefacts totalling £32,979 were acquired by the charity and are included within heritage assets.

On 2 February 2017 the freehold property 'Land & Buildings on the east side of the Plantation Lane, Hayle' were gifted to Harvey's Foundry Trust from Mr John Daniels. The land and buildings were gifted at a value of £1.

In 2020, phase 3 of the restoration and refurbishment of the Harvey's Foundry site was completed. The total project cost exceeded £4,200,000 and will conserve the buildings known as the Plantation Store, Pattern Shop and the site of the former Cart Shed. This project was mainly funded by the Heritage Lottery Fund.

In 2021, the heritage assets held (excluding Artefacts £32,979) were valued on a market value basis by 3rd party Independent Valuers, Andrew Ranson MRICS of Miller Commercial Valuers Ltd, at £3,000,000. This included £700,000 for Dowren House, which was transferred to tangible assets in 2022 as it was not considered to fall within the definition of a heritage asset. The charity recognised an impairment loss in 2021 to reduce the carrying amount of the Heritage assets to its recoverable amount. This impairment loss amounting to £2,590,802 was recognised as expenditure in the Statement of Financial Activities in accordance with the Charity SORP. As these assets are held under valuation depreciation has not been charged. The Trustees consider the 2021 valuation is still appropriate at the year end.

HARVEY'S FOUNDRY TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 MAY 2023**

11. HERITAGE ASSETS - continued

In 2022, costs of developing and restoring the John Harvey House has been included in heritage assets amounting to £41,408. This has been added to heritage assets as the Trustees believe that this has increased the 2021 valuation of the property. A further £1,944 was spent on this building this year.

In 2023, the Granary Barn (known as the Boring Mill) was gifted to the charity by The Guinness Partnership Limited. This barn had previously been valued at Nil as the liabilities for maintaining this building exceed the value in the building and land. The Trustees have confirmed that they have considered this and therefore no value has been included in the accounts other than the legal costs of this transaction.

See note 16 for assets pledged as security for the bank loan. There is also a second charge over John Harvey House in favour of Cornwall Council, where the charity would be liable to pay the Council £110,000 in the event that the property was sold to a third party. This will expire on 2 July 2030.

12. STOCKS

	2023	2022
	£	£
Stocks	2,249	3,872
	<u>2,249</u>	<u>3,872</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade debtors	22,188	26,393
Other debtors	-	33,618
Prepayments	18,489	11,672
	<u>40,677</u>	<u>71,683</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Bank loans and overdrafts (see note 16)	13,814	18,224
Other loans (see note 16)	-	15
Trade creditors	22,017	18,507
Social security and other taxes	2,017	1,788
VAT	4,964	4,233
Other creditors	45,567	43,738
Accruals and deferred income	34,837	73,045
	<u>123,216</u>	<u>159,550</u>

HARVEY'S FOUNDRY TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2023

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Bank loans (see note 16)	444,031	454,785

16. LOANS

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year on demand:		
Bank loans	13,814	18,224
Other loans	-	15
	13,814	18,239
Amounts falling due between two and five years:		
Bank loans - 2-5 years	55,257	72,890
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more 5 yr by instalments	388,774	381,895

The CAF Bank loan is secured by a fixed legal charge over the freehold land and properties:

John Harvey House, 24 Foundry Square, Hayle, TR27 4HH
Dowren House, 5 Foundry Lane, Hayle, TR27 4HP
Foundry Farm, Foundry Lane, Hayle

The annual interest rate is the Bank of England Base Rate plus 2.5% and the loan period is 25 years. The capital repayments commenced during February 2018 and the contractual end date of the loan is 19 June 2041.

17. SECURED DEBTS

The following secured debts are included within creditors:

	2023	2022
	£	£
Bank loans	457,845	473,009

HARVEY'S FOUNDRY TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2023

18. MOVEMENT IN FUNDS

	At 1/6/22 £	Net movement in funds £	At 31/5/23 £
Unrestricted funds			
General fund	189,034	(13,214)	175,820
Restricted funds			
Phase 3	1,196,112	(5,165)	1,190,947
Computer Equipment	300	(300)	-
John Harvey House build	-	42,704	42,704
	<u>1,196,412</u>	<u>37,239</u>	<u>1,233,651</u>
Endowment funds			
Foundry Farm	500,000	-	500,000
John Harvey House & Dowren House	750,000	-	750,000
Plantation Store	35,000	-	35,000
Pattern shop and site of former Cart Shed	40,000	-	40,000
Artefacts	32,524	-	32,524
Land & buildings on the east side of Plantation Lane, Hayle	<u>1</u>	<u>-</u>	<u>1</u>
	<u>1,357,525</u>	<u>-</u>	<u>1,357,525</u>
TOTAL FUNDS	<u><u>2,742,971</u></u>	<u><u>24,025</u></u>	<u><u>2,766,996</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	341,495	(354,709)	(13,214)
Restricted funds			
Phase 3	-	(5,165)	(5,165)
Computer Equipment	-	(300)	(300)
John Harvey House build	<u>42,704</u>	<u>-</u>	<u>42,704</u>
	<u>42,704</u>	<u>(5,465)</u>	<u>37,239</u>
TOTAL FUNDS	<u><u>384,199</u></u>	<u><u>(360,174)</u></u>	<u><u>24,025</u></u>

HARVEY'S FOUNDRY TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 MAY 2023**

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/6/21 £	Net movement in funds £	At 31/5/22 £
Unrestricted funds			
General fund	195,521	(6,487)	189,034
Restricted funds			
Phase 3	1,203,352	(7,240)	1,196,112
Millpond Leaflet	250	(250)	-
Computer Equipment	400	(100)	300
	<u>1,204,002</u>	<u>(7,590)</u>	<u>1,196,412</u>
Endowment funds			
Foundry Farm	500,000	-	500,000
John Harvey House & Dowren House	750,000	-	750,000
Plantation Store	35,000	-	35,000
Pattern shop and site of former Cart Shed	40,000	-	40,000
Artefacts	32,524	-	32,524
Land & buildings on the east side of Plantation Lane, Hayle	<u>1</u>	<u>-</u>	<u>1</u>
	<u>1,357,525</u>	<u>-</u>	<u>1,357,525</u>
TOTAL FUNDS	<u><u>2,757,048</u></u>	<u><u>(14,077)</u></u>	<u><u>2,742,971</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	309,728	(316,215)	(6,487)
Restricted funds			
Phase 3	-	(7,240)	(7,240)
Millpond Leaflet	-	(250)	(250)
Computer Equipment	-	(100)	(100)
	<u>-</u>	<u>(7,590)</u>	<u>(7,590)</u>
TOTAL FUNDS	<u><u>309,728</u></u>	<u><u>(323,805)</u></u>	<u><u>(14,077)</u></u>

HARVEY'S FOUNDRY TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 MAY 2023**

18. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/6/21 £	Net movement in funds £	At 31/5/23 £
Unrestricted funds			
General fund	195,521	(19,701)	175,820
Restricted funds			
Phase 3	1,203,352	(12,405)	1,190,947
Millpond Leaflet	250	(250)	-
Computer Equipment	400	(400)	-
John Harvey House build	-	42,704	42,704
	<u>1,204,002</u>	<u>29,649</u>	<u>1,233,651</u>
Endowment funds			
Foundry Farm	500,000	-	500,000
John Harvey House & Dowren House	750,000	-	750,000
Plantation Store	35,000	-	35,000
Pattern shop and site of former Cart Shed	40,000	-	40,000
Artefacts	32,524	-	32,524
Land & buildings on the east side of Plantation Lane, Hayle	<u>1</u>	<u>-</u>	<u>1</u>
	<u>1,357,525</u>	<u>-</u>	<u>1,357,525</u>
TOTAL FUNDS	<u><u>2,757,048</u></u>	<u><u>9,948</u></u>	<u><u>2,766,996</u></u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	651,223	(670,924)	(19,701)
Restricted funds			
Phase 3	-	(12,405)	(12,405)
Millpond Leaflet	-	(250)	(250)
Computer Equipment	-	(400)	(400)
John Harvey House build	<u>42,704</u>	<u>-</u>	<u>42,704</u>
	<u>42,704</u>	<u>(13,055)</u>	<u>29,649</u>
TOTAL FUNDS	<u><u>693,927</u></u>	<u><u>(683,979)</u></u>	<u><u>9,948</u></u>

HARVEY'S FOUNDRY TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 MAY 2023**

18. MOVEMENT IN FUNDS - continued

Restricted Funds:

Phase 3 - the project commenced during 2015 and related to the restoration of the Harvey's Foundry site which was completed in 2020.

Millpond Leaflet - funding was received from Hayle Town Council towards this leaflet last year and was spent this year.

Computer equipment - funding was received towards the purchase of a new laptop. The balance represents the carrying value to be depreciated over future years.

John Harvey House - the project commenced during 2021 and related to the restoration and development of John Harvey House. Two grants were received during the year ended 31 May 2023 to help fund the costs of this project. One grant from Architectural Heritage Fund and one from Historic England. The restoration costs have been capitalised in fixed assets.

Endowment Funds:

The permanent endowments, were established by the gift and sale of 3 properties from Penwith District Council. The gift and sales were made to the charity on condition that they are held as permanent endowments, the income from which is freely available to fund the activities of the charity.

During the year ending 31 May 2015 the freehold property known as 'The Plantation Store' was transferred to the charity with the condition that it is held as a permanent endowment.

During the year ending 31 May 2016, the freehold property known as 'The Pattern Shop and the site of the former Cart Shed' was transferred to the charity with the condition that it is held as a permanent endowment.

During the year ending 31 May 2017, the freehold land and property known as 'Land and Buildings on the east side of Plantation Lane, Hayle' was gifted to the charity by Mr J Daniels.

19. EMPLOYEE BENEFIT OBLIGATIONS

During the year ended 31 May 2023 the pension costs were £2,140 (2022: £2,032).

At the year end the amount outstanding was £496 (2022: £398).

HARVEY'S FOUNDRY TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2023

20. CONTINGENT LIABILITIES

There are two overage agreements in place on certain heritage assets held by the charity.

On transfer of the Plantation Stores on 26 February 2015, the charity was subject to an overage agreement in favour of Cornwall Council. The Council have a right to be paid a proportion of the sale price in the event that the property is sold.

The overage agreement for Granary Barn (now known as Boring Mill) is dependent on certain work being carried out to install standard services for the connection to main utilities and to reinstate/repair various parts of the structure. The term of the agreement is 50 years from the transfer in 2023. In the event of a disposal within the overage period before completion of this work, an additional payment (50% of sale price) would be due to The Guinness Partnership Limited. If the specified work is completed, the overage agreement ends.

21. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 May 2023.

22. LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.