

THE HEARN FOUNDATION

England & Wales - Charity number 1118490

Details

Status Registered

Legal form Trust

Registered 2007-03-23

Register [View on the Charity Commission register](#)

Contact

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Broxbourne
Hertfordshire
EN10 7DH

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Activities

Objects: PURPOSES WHICH ARE EXCLUSIVELY CHARITABLE ACCORDING TO THE LAW FOR THE TIME BEING OF ENGLAND AND WALES AND

Activities: the charity makes donations to organisations working with underprivileged children and also to organisations working in the Arts.

Classification

- **How:** Makes Grants To Organisations
- **What:** Education/training, Disability, Arts/culture/heritage/science, Amateur Sport
- **Who:** Children/young People, Other Charities Or Voluntary Bodies

Geography

- **Area of benefit:** NOT DEFINED. IN PRACTICE. GREATER LONDON
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-12-31	£4,415,434	£2,283,523	£11,563,054	0
2024-12-31	£882,046	£785,892	£9,254,316	0
2023-12-31	£942,696	£1,417,177	£8,561,371	0
2022-12-31	£1,722	£333,419	-	-
2021-12-31	£124	£285,183	-	-
2020-12-31	£6,704,413	£377,410	£11,650,818	0

Trustees

Name	Role	Appointed
Francesca Robinson		2025-04-13
JOHN GULIO PIKE		
MICHAEL ROBERT FREDERICK HEARN		
PETER JOHN HEARN		

THE HEARN FOUNDATION

England & Wales - Charity number 1118490

Accounts

The Hearn Foundation
Annual Report and Audited Financial Statements
for the financial year ended 31 December 2025

Lincoln Brown & Co Limited
Chartered Certified Accountants and Statutory Auditors
Grenville House
4 Grenville Avenue
Herts
EN10 7DH
United Kingdom

Charity Number: 1118490

The Hearn Foundation

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The Hearn Foundation
REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees

Mr Peter Hearn
Mr John Pike
Ms Francesca Robinson (Appointed 7 October 2025)
Mr Micheal Hearn

Charity Number in England and Wales

1118490

Principal Address

4 Grenville Avenue
Broxbourne
Herts
EN10 7DH
UK

Auditors

Lincoln Brown & Co Limited
Chartered Certified Accountants and Statutory Auditors
Grenville House
4 Grenville Avenue
Herts
EN10 7DH
United Kingdom

Principal Bankers

Barclays Bank
1 Churchill Place
Canary Wharf
London
E14 5HP
United Kingdom

The Hearn Foundation

TRUSTEES' REPORT

for the financial year ended 31 December 2025

The trustees present their Trustees' Report and the audited financial statements for the financial year ended 31 December 2025.

The financial statements are prepared in accordance with the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Trustees' Report contains the information required to be provided in the Trustees' Annual Report under the Statement of Recommended Practice (SORP) guidelines. The trustees of the charity are also charity trustees for the purpose of charity law and under the charity's constitution are known as members of the board of trustees.

In this report the trustees of The Hearn Foundation present a summary of its purpose, governance, activities, achievements and finances for the financial year 31 December 2025.

The charity is a registered charity and although not obliged to comply with the Statement of Recommended Practice applicable in the UK and Republic of Ireland FRS 102, the organisation has implemented its recommendations where relevant in these financial statements.

Principal Activity

The main activities that the charity is to undertake further the public benefit by funding institutions whose main focus is towards under privileged children and support of the arts.

Mission, Objectives and Strategy

Mission Statement

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on the public benefit when reviewing the Trust aims & objectives, planning for future activities, and settling grants for the year.

The main activities that the charity has undertaken to further the public benefit are by funding institutions whose main focus is towards underprivileged children and support of the Arts.

Review of Achievements and Performance

During 2025 total grants were £2,202,089 and the breakdown is detailed below;

Central Foundation School- £1,133,334
National Theatre - £341,000
St Peter's London Docks School - £179,205
Old Vic - £112,500
Macular Disease Society - £100,000
Deborah Ubee Trust - £75,000
EBP South - £73,973
Blackheath Conservatoire - £50,350
Trinity Laburn - £46,750
Other - £89,977

Financial Review

The trusts income is from its investments and gifts from donors. During 2025 the Trust received donations of £2,645,412 (2024 £378,455) from Mr P Hearn, £645,187 (2024 £490,612) from OPD Group Limited, a company controlled by Mr P Hearn and a donation of £775,000 from Ms F Robinson

The other income of the Trust from its investments and interest was £3,072 (2023 - £12,979).

During 2025 £2,202,089 (2024 - £757,613) was spent on charitable activity.

Expenditure for the year was £31,434 (2024- £28,279) on governance of the Trust.

Investments are valued at market value at the balance sheet date and revaluations/ (devaluations) are reflected in the statement of financial activities. At the year end investments were revalued by £176,827 (2024 - £359,630).

Results and Dividends

At the end of the financial year the charity has assets of £11,973,554 (2024 - £9,764,302) and liabilities of £410,500 (2024 - £509,986). The net assets of the charity have increased by £2,308,738.

The Hearn Foundation TRUSTEES' REPORT

for the financial year ended 31 December 2025

Reserves Position and Policy

Reserves Policy

The current reserves policy of the Trustees is to maintain free reserves in the unrestricted funds level which equates to approximately two years of charitable expenditure taking account of average annual expenditure over the previous 3 years. The Trustees consider that this is the appropriate level to provide sufficient funds to respond to grant applications in an effective manner.

The Trustees review the funds available and grant applications on a continuous basis. The Trust deed gives the power to accumulate funds for future periods.

For the foreseeable future the Trustees intend to primarily target the work of the Trust towards underprivileged children & support of the Arts.

In accordance with the Constitution, the trustees retire by rotation and, being eligible, offer themselves for re-election.

Compliance with Sector-Wide Legislation and Standards

The charity engages pro-actively with legislation, standards and codes which are developed for the sector. The Hearn Foundation subscribes to and is compliant with the following:

- The Charities SORP (FRS 102)

Approved by the Board of Trustees on 26 April 2026 and signed on its behalf by:

Mr Peter Hearn
Trustee

The Hearn Foundation

STATEMENT OF TRUSTEES' RESPONSIBILITIES

for the financial year ended 31 December 2025

The trustees are responsible for preparing the financial statements in accordance with applicable law and regulations.

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 assets, liabilities and financial position of the charity as at the financial year end date and of the surplus or deficit of the charity and otherwise comply with the Charities Act 2011.

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

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; 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 confirm that they have complied with the above requirements in preparing the financial statements.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board of Trustees on 26 April 2026 and signed on its behalf by:

Mr Peter Hearn
Trustee

INDEPENDENT AUDITOR'S REPORT to the Members of The Hearn Foundation

Report on the audit of the financial statements

Opinion

We have audited the charity financial statements of The Hearn Foundation ('the charity') for the financial year ended 31 December 2025 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including the summary of significant accounting policies set out in note 2. 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", applying Section 1A of that Standard and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102.

In our opinion, when reporting in accordance with a fair presentation framework the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2025 and of its surplus for the financial 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 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 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 the date 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 annual report other than the financial statements and our Auditor's Report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Opinion on other matter prescribed by the Charities Act 2011

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

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

Matters on which we are required to report by exception

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

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:

- adequate accounting records have not been kept; 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.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Trustees' Annual Report.

INDEPENDENT AUDITOR'S REPORT

to the Members of The Hearn Foundation

Responsibilities of trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities set out on page 6, 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 they 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 management either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

We identified the laws and regulations applicable to the charity through discussions with the trustees.

We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act 2011.

We assessed the extent of compliance with the laws and regulations identified above through making enquiries of trustees and inspecting legal correspondence; and

Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

Making enquiries of trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.

Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and

To address the risk of fraud through management bias and override of controls, we:

Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

Agreeing financial statement disclosures to underlying supporting documentation.

Reading the minutes of meetings of those charged with governance.

Enquiring of trustees as to actual and potential litigation and claims;

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 directors and other management and the inspection of regulatory and legal correspondence, if any.

INDEPENDENT AUDITOR'S REPORT

to the Members of The Hearn Foundation

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

Further information regarding the scope of our responsibilities as auditor

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

LINCOLN BROWN & CO LIMITED

Chartered Certified Accountants and Statutory Auditors
Grenville House
4 Grenville Avenue
Herts
EN10 7DH
United Kingdom

26 April 2026

The Hearn Foundation

STATEMENT OF FINANCIAL ACTIVITIES

for the financial year ended 31 December 2025

	Notes	Unrestricted Funds 2025 £	Total Funds 2025 £	Unrestricted Funds 2024 £	Total Funds 2024 £
Income					
Donations and legacies	3.1	4,065,599	4,065,599	869,067	869,067
Other income	3.2	3,072	3,072	12,979	12,979
Total income		4,068,671	4,068,671	882,046	882,046
Expenditure					
Charitable activities	4.1	2,202,089	2,202,089	757,613	757,613
Other expenditure	4.2	81,434	81,434	28,279	28,279
Total Expenditure		2,283,523	2,283,523	785,892	785,892
Net gains/(losses) on investments		346,763	346,763	237,161	237,161
Net income/(expenditure)		2,131,911	2,131,911	333,315	333,315
Transfers between funds		-	-	-	-
Net movement in funds for the financial year		2,131,911	2,131,911	333,315	333,315
Reconciliation of funds:					
Total funds beginning of the year	12	9,254,316	9,254,316	8,561,371	8,561,371
Total funds at the end of the year		11,386,227	11,386,227	8,894,686	8,894,686

The Statement of Financial Activities includes all gains and losses recognised in the financial year. All income and expenditure relate to continuing activities.

The Hearn Foundation

BALANCE SHEET

as at 31 December 2025

		2025	2024
	Notes	£	£
Fixed Assets			
Tangible assets	8	725,000	-
Investments	9	11,068,298	9,744,406
		<u>11,793,298</u>	<u>9,744,406</u>
Current Assets			
Cash at bank and in hand		180,256	19,896
Creditors: Amounts falling due within one year	10	(410,500)	(509,986)
Net Current Liabilities		(230,244)	(490,090)
Total Assets less Current Liabilities		11,563,054	9,254,316
Funds			
General fund (unrestricted)		11,563,054	9,254,316
Total funds	12	11,563,054	9,254,316

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", applying Section 1A of that Standard.

Approved by the Board of Trustees and authorised for issue on 26 April 2026 and signed on its behalf by

Mr Peter Hearn
Trustee

The Hearn Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

1. GENERAL INFORMATION

The Hearn Foundation is a charity incorporated in England. The registered office of the charity is 4 Grenville Avenue, Broxbourne, Herts, EN10 7DH, UK which is also the principal place of business of the charity. The financial statements have been presented in Pound (£) which is also the functional currency of the charity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charity's financial statements.

Basis of preparation

The financial statements have been prepared on the going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) "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", applying Section 1A of that Standard.

As permitted by the Companies Act 2006, the charity has varied the standard formats in that act for the Statement of Financial Activities and the Balance Sheet. Departures from the standard formats are to comply with the requirements of the Charities SORP and are in compliance with section 4.7, 10.6 and 15.2 of that SORP.

Statement of compliance

The financial statements of the charity for the financial year ended 31 December 2025 have been prepared on the going concern basis and in accordance with the Statement of Recommended Practice (SORP) "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", applying Section 1A of that Standard.

Fund accounting

The following are the categories of funds maintained:

Restricted funds

Restricted funds represent income received which can only be used for particular purposes, as specified by the donors. Such purposes are within the overall objectives of the charity.

Unrestricted funds

Unrestricted funds consist of General and Designated funds.

- General funds represent amounts which are expendable at the discretion of the board, in furtherance of the objectives of the charity.
- Designated funds comprise unrestricted funds that the board has, at its discretion, set aside for particular purposes. These designations have an administrative purpose only, and do not legally restrict the board's discretion to apply the fund.

Income

Income is recognised by inclusion in the Statement of Financial Activities only when the charity is legally entitled to the income, performance conditions attached to the item(s) of income have been met, the amounts involved can be measured with sufficient reliability and it is probable that the income will be received by the charity.

Income from charitable activities

Income from charitable activities include income earned from the supply of services under contractual arrangements and from performance related grants which have conditions that specify the provision of particular services to be provided by the charity. Income from government and other co-funders is recognised when the charity is legally entitled to the income because it is fulfilling the conditions contained in the related funding agreements. Where a grant is received in advance, its recognition is deferred and included in creditors. Where entitlement occurs before income is received, it is accrued in debtors.

Grants from governments and other co-funders typically include one of the following types of conditions:

- Performance based conditions: whereby the charity is contractually entitled to funding only to the extent that the core objectives of the grant agreement are achieved. Where the charity is meeting the core objectives of a grant agreement, it recognises the related expenditure, to the extent that it is reimbursable by the donor, as income.

The Hearn Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

-Time based conditions: whereby the charity is contractually entitled to funding on the condition that it is utilised in a particular period. In these cases the charity recognises the income to the extent it is utilised within the period specified in the agreement.

In the absence of such conditions, assuming that receipt is probable and the amount can be reliably measured, grant income is recognised once the charity is notified of entitlement.

Grants received towards capital expenditure are credited to the Statement of Financial Activities when received or receivable, whichever is earlier.

Expenditure

Expenditure is analysed between costs of charitable activities and raising funds. The costs of each activity are separately accumulated and disclosed, and analysed according to their major components. Expenditure is recognised when a legal or constructive obligation exists as a result of a past event, a transfer of economic benefits is required in settlement and the amount of the obligation can be reliably measured. Support costs are those functions that assist the work of the charity but cannot be attributed to one activity. Such costs are allocated to activities in proportion to staff time spent or other suitable measure for each activity.

Investment properties

Investment property is property held either to earn rental income, or for capital appreciation (including future re-development) or for both, but not for sale in the ordinary course of business.

Investment property is initially measured at cost, which includes the purchase cost and any directly attributable expenditure. Investment property is subsequently valued at its fair value at each reporting date, by professional external valuers. The difference between the fair value of an investment property at the reporting date and its carrying value prior to the valuation is recognised in the Statement of Financial Activities as a fair value gain or loss. Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the Statement of Financial Activities.

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value. Income from other financial fixed asset investments together with any related tax credit is recognised in the profit and loss account in the financial year in which it is receivable.

Cash at bank and in hand

Cash at bank and in hand comprises cash on deposit at banks requiring less than three months notice of withdrawal.

Taxation and deferred taxation

No current or deferred taxation arises as the charity has been granted charitable exemption. Irrecoverable valued added tax is expensed as incurred.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax in the future, or a right to pay less tax in the future. Timing differences are temporary differences between the charity's taxable profits and its results as stated in the financial statements.

Deferred tax is measured on an undiscounted basis at the tax rates that are anticipated to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. INCOME				
3.1 DONATIONS AND LEGACIES	Unrestricted Funds £	Restricted Funds £	2025 £	2024 £
Donations and legacies	<u>4,065,599</u>	<u>-</u>	<u>4,065,599</u>	<u>869,067</u>

The Hearn Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

3.2	OTHER INCOME		Unrestricted Funds	Restricted Funds	2025	2024
			£	£	£	£
	Other income		<u>3,072</u>	<u>-</u>	<u>3,072</u>	<u>12,979</u>
4.	EXPENDITURE					
4.1	CHARITABLE ACTIVITIES	Direct Costs	Other Costs	Support Costs	2025	2024
		£	£	£	£	£
	Expenditure on charitable activities	<u>2,202,089</u>	<u>-</u>	<u>-</u>	<u>2,202,089</u>	<u>757,613</u>
4.2	OTHER EXPENDITURE	Direct Costs	Other Costs	Support Costs	2025	2024
		£	£	£	£	£
	Other expenditure	<u>-</u>	<u>50,000</u>	<u>31,434</u>	<u>81,434</u>	<u>28,279</u>
4.3	SUPPORT COSTS			Other Expenditure	2025	2024
				£	£	£
	Support			<u>31,434</u>	<u>31,434</u>	<u>28,279</u>
5.	ANALYSIS OF SUPPORT COSTS				2025	2024
					£	£
	Support				<u>31,434</u>	<u>28,279</u>
6.	NET INCOME				2025	2024
					£	£
	Net Income is stated after charging/(crediting):					
	Depreciation of tangible assets				50,000	-
	Auditor's remuneration:					
	- audit services				10,500	9,750
	- other non-audit services				-	2,250
					<u>346,763</u>	<u>237,161</u>
7.	INVESTMENT AND OTHER INCOME				2025	2024
					£	£
	Bank interest				1,871	781
	Investment income				1,201	12,198
	Surplus on disposal of investments				346,763	237,161
					<u>349,835</u>	<u>250,140</u>

The Hearn Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

8. TANGIBLE FIXED ASSETS

	Investment properties	Total
	£	£
Cost or Valuation		
Additions	775,000	775,000
Revaluation	(50,000)	(50,000)
	<u>725,000</u>	<u>725,000</u>
At 31 December 2025	725,000	725,000
Net book value		
At 31 December 2025	<u><u>725,000</u></u>	<u><u>725,000</u></u>

9. INVESTMENTS

	Other investments	Total
	£	£
Investments		
Valuation		
At 1 January 2025	9,744,406	9,744,406
Additions	6,100,300	6,100,300
Disposals	(4,953,235)	(4,953,235)
Revaluations	176,827	176,827
	<u>11,068,298</u>	<u>11,068,298</u>
At 31 December 2025	11,068,298	11,068,298
Net book value		
At 31 December 2025	<u><u>11,068,298</u></u>	<u><u>11,068,298</u></u>
At 31 December 2024	<u><u>9,744,406</u></u>	<u><u>9,744,406</u></u>

10. CREDITORS

	2025	2024
	£	£
Amounts falling due within one year		
Trustees' current accounts	400,000	497,986
Accruals and deferred income	10,500	12,000
	<u>410,500</u>	<u>509,986</u>

11. RESERVES

	Funds		Total
	£	£	£
At the beginning of the year	9,254,316	-	9,254,316
Surplus for the financial year	2,131,911	-	2,131,911
Other movements	-	176,827	176,827
	<u>11,386,227</u>	<u>176,827</u>	<u>11,563,054</u>

The Hearn Foundation
NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

12. FUNDS

12.1 RECONCILIATION OF MOVEMENT IN FUNDS

	Unrestricted Funds £	Total Funds £
At 1 January 2024	8,561,371	8,561,371
Movement during the financial year	692,945	692,945
At 31 December 2024	9,254,316	9,254,316
Movement during the financial year	2,308,738	2,308,738
At 31 December 2025	<u>11,563,054</u>	<u>11,563,054</u>

The Hearn Foundation
NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

12.2 ANALYSIS OF MOVEMENTS ON FUNDS

	Balance 1 January 2025 £	Income £	Expenditure £	Transfers between funds £	Gains and losses £	Other movements £	Balance 31 December 2025 £
Unrestricted funds							
Unrestricted General	9,254,316	4,068,671	2,283,523	-	346,763	176,827	11,563,054
Total funds	9,254,316	4,068,671	2,283,523	-	346,763	176,827	11,563,054

The Hearn Foundation
NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

12.3 ANALYSIS OF NET ASSETS BY FUND

	Fixed assets - charity use £	Financial fixed assets £	Current assets £	Current liabilities £	Total £
Unrestricted general funds	725,000	11,068,298	180,256	(410,500)	11,563,054
	<u>725,000</u>	<u>11,068,298</u>	<u>180,256</u>	<u>(410,500)</u>	<u>11,563,054</u>

13. POST-BALANCE SHEET EVENTS

There have been no significant events affecting the Charity since the financial year-end.

THE HEARN FOUNDATION

SUPPLEMENTARY INFORMATION

RELATING TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

NOT COVERED BY THE REPORT OF THE AUDITORS

The Hearn Foundation

SUPPLEMENTARY INFORMATION RELATING TO THE FINANCIAL STATEMENTS

Operating Statement

for the financial year ended 31 December 2025

	2025 £	2024 £
Income		
Donations	4,065,599	869,067
	<u>4,065,599</u>	<u>869,067</u>
Expenses		
Property costs	37	-
Printing, postage and stationery	-	232
Legal and professional	20,897	16,047
Auditor's/Independent Examiner's remuneration	10,500	9,750
Auditor's/Independent Examiner's remuneration - other non-audit/examination services	-	2,250
Grants awarded	2,202,089	757,613
Depreciation	50,000	-
	<u>2,283,523</u>	<u>785,892</u>
Miscellaneous income and changes in investments		
Bank interest	1,871	781
Income from unlisted investments	1,201	12,198
Gain on disposal of investments	346,763	237,161
	<u>349,835</u>	<u>250,140</u>
Net surplus	<u><u>2,131,911</u></u>	<u><u>333,315</u></u>

THE HEARN FOUNDATION

England & Wales - Charity number 1118490

Accounts

REGISTERED CHARITY NUMBER: 1118490

Report of the Trustees and
Audited Financial Statements for the Year Ended 31st December 2024
For
THE HEARN FOUNDATION

Lincoln Brown & Co Limited
Chartered Certified Accountants
Statutory Auditors
Grenville House
4 Grenville Avenue
Broxbourne
Hertfordshire
EN10 7DH

The Hearn Foundation

Contents of the Financial Statements
for the Year Ended 31st December 2024

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The Hearn Foundation

Report of the Trustees for the Year Ended 31st December 2024

The trustees present their report with the financial statements of the charity for the year ended 31st December 2024. 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 trust deeds, 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 in October 2019

The Trust is an unincorporated trust, constituted under the trust deeds dated 19th January 2007 and is a registered charity, number 1118490. The Trust was established by an initial gift from Mr P Hearn and continues to receive gifts from Mr Hearn. The Trust does not actively fundraise, but seeks to continue the philanthropic work desired by the donor through the careful stewardship of its existing resources and additional donations from Mr P J Hearn

The Trustees are appointed by the settlor during his life and thereafter by Mr M Hearn. The Trust Deed provides for a minimum of 3 trustees, to a maximum of 5 trustees.

The Trustees keep the experience and skill requirements of trustees under review and in the event that any trustee resigns or it is deemed new trustees are required, the Board will seek independent advice on any appointments.

The Trustees meet formally on a regular basis to agree all areas of activity for the Trust including grant making, investments, reserves and risk management policies and performance.

Risk Management

The Trustees have considered the risks to which the Trust is exposed regarding assets and have reviewed those risks and ensure by continual monitoring that these risks are properly managed. The Trustees consider the viability of investment returns as the Trust's risk and keep these investments under constant review.

The Trustees have agreed the major risk to which the Charity is exposed and are satisfied that systems are in place to mitigate those risks.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Trust is a charitable trust and the Trustees are authorised to apply the annual income and the capital of the Trust to such charity and charities or for such charitable purpose or purposes as the trustees shall determine.

The Trustees have decided that, for the time being, the Trust will focus on providing grants to Institutions working with underprivileged young people and to contributing to the support of the Arts. Geographic location not to be determining factor in such grants.

The Hearn Foundation

Report of the Trustees for the Year Ended 31st December 2024

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During 2024 the following grants have been agreed:

	Total
	£
Royal National Theatre	231,000
The Old Vic	112,000
EBP South	74,250
St Peter's London Dock	67,205
Central Foundation School	68,333
Trinity Laban	52,500
Deborah Ubee Trust	50,000
Blackheath Halls	31,986
Blackheath Conservatoire	20,000
Other	50,339
TOTAL	<u>£ 757,613</u>

Public Benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on the public benefit when reviewing the Trust aims & objectives, planning for future activities, and settling grants for the year.

The main activities that the charity has undertaken to further the public benefit are by funding institutions whose main focus is towards underprivileged children and support of the Arts.

FINANCIAL REVIEW

Financial position

The trust's income from its investments and any further gifts it receive from donors. During 2024, the Trust received donations of £378,455 (2023 - Nil) from Mr P Hearn and OPD Group Limited £490,612 (2023 - £880,916) a company controlled by Mr P Hearn.

The other income of the Trust from its investments and interest was £12,979 (2023 - £61,780).

During 2023 £757,613 (2023 - £1,281,774) was spent on charitable activity.

Expenditure for the year was £28,279 (2023 £31,279) on governance of the Trust and nil (2023 £18,661) to maintenance property investment.

Investments are valued at market value at the balance sheet date and revaluations / (devaluations) are reflected in the statement of financial activities. At the year end investments were revalued by £359,630 (2023 - £381,374).

Investment policy and objectives

The trustees invest the Trust's excess funds in mainly the UK and European Equities and interest-bearing deposits with UK Banks. The trustees consider social, environmental and ethical concerns when making investments.

Reserves Policy

The current reserves policy of the Trustees is to maintain free reserves in the unrestricted funds level which equates to approximately two years of charitable expenditure taking account of average annual expenditure over the previous 3 years. The Trustees consider that this is the appropriate level to provide sufficient funds to respond to grant applications in an effective manner.

The Hearn Foundation

Report of the Trustees
for the Year Ended 31st December 2024

The Trustees review the funds available and grant applications on a continuous basis. The Trust deed gives the power to accumulate funds for future periods.

FUTURE PLANS

For the foreseeable future the Trustees intend to primarily target the work of the Trust towards underprivileged children & support of the Arts.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity Number

1118490

Principal Address

Grenville House
4 Grenville Avenue
Broxbourne
Herts
EN10 7DH

Trustees

Mr P J Hearn
Mr M Hearn
Mr J Pike

Auditors

Lincoln Brown & Co Limited
Chartered Certified Accountants
Statutory Auditors
Grenville House
4 Grenville Avenue
Broxbourne
Herts
EN10 7DH

The Hearn Foundation

Report of the Trustees
for the Year Ended 31st December 2024

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed require 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 those 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 2019 (FRS 102);
- 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 charity will continue in operation.
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 10th June 2025 and signed on its behalf by:

Mr P J Hearn - Trustee

Report of the Independent Auditors to the Trustees of
The Hearn Foundation

Opinion

We have audited the financial statements of The Hearn Foundation (the 'charity') for the year ended 31st December 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as of 31st December 2024 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 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.

Conclusion relation 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 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.

Report of the Independent Auditors to the Trustees of
The Hearn Foundation

Matters on which we are required to report by exception

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

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; 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, the trustees are responsible for the preparation of the financial statements which 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.

Our responsibilities for the Audit of the Financial Statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with the trustees.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act 2011.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of trustees and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and

To address the risk of fraud through management bias and override of controls, we:

- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

Report of the Independent Auditors to the Trustees of
The Hearn Foundation

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation.
- reading the minutes of meetings of those charged with governance.
- enquiring of trustees as to actual and potential litigation and claims;

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 directors and other management and the inspection of regulatory and legal correspondence, if any.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Lincoln Brown & Co Limited
Chartered Certified Accountants
Statutory Auditors
Grenville House
4 Grenville Avenue
Broxbourne
Herts
EN10 7DH

10th June 2025

The Hearn Foundation

Statement of Financial Activities
for the Year Ended 31st December 2024

	NOTES	Unrestricted Funds £	31.12.24 Total Funds £	31.12.23 Total Funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	2	869,067	869,067	880,916
Investment and interest income	3	12,979	12,979	61,780
Total		<u>882,046</u>	<u>882,046</u>	<u>942,696</u>
EXPENDITURE ON				
Charitable Activities				
Grants Payable	4	757,613	757,613	1,281,774
Other		<u>28,279</u>	<u>28,279</u>	<u>135,403</u>
Total		<u>785,892</u>	<u>785,892</u>	<u>1,417,177</u>
		96,154	96,154	(474,481)
Other Recognised Gains/(Losses)				
Gains/(Losses) on disposal		237,161	237,161	
Gains/(Losses) on revaluation of fixed assets		<u>359,630</u>	<u>359,630</u>	<u>381,374</u>
NET INCOME/(EXPENDITURE)				
Transfer between funds	13	-	-	-
				-
New movement in funds		692,945	692,945	(93,107)
RECONCILIATION OF FUNDS				
Total funds brought forward		<u>8,561,371</u>	<u>8,561,371</u>	<u>8,654,478</u>
TOTAL FUNDS CARRIED FORWARD		<u>9,254,316</u>	<u>9,254,316</u>	<u>8,561,371</u>

Notes:-

See Page 18 note.

Should donation be under unrestricted funds.

The Hearn Foundation

Statement of Financial Activities
for the Year Ended 31st December 2024

		31.12.24	31.12.23
		£	£
FIXED ASSETS	Notes		
Investments	8	<u>9,744,406</u>	<u>8,569,361</u>
		<u>9,744,406</u>	<u>8,569,361</u>
CURRENT ASSETS			
Debtors	11	-	-
Cash at bank		19,896	89,996
CREDITORS			
Amounts falling due within one year	10	<u>(509,986)</u>	<u>(97,986)</u>
NET CURRENT ASSETS		<u>(490,090)</u>	<u>(7,990)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>9,254,316</u>	<u>8,561,371</u>
NET ASSETS		<u>9,254,316</u>	<u>8,561,371</u>
FUNDS	13		
Unrestricted funds		<u>9,254,316</u>	<u>8,561,371</u>
TOTAL FUNDS		<u>9,254,316</u>	<u>8,561,371</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 10th June 2025 and were signed on its behalf by:-

Mr P J Hearn - Trustee

The Hearn Foundation

Statement of Financial Activities
for the Year Ended 31st December 2024

	31.12.24	31.12.23
	£	£
	Notes	
<u>Income/Expenditure for Reporting Person</u>		
Donation	881,265	880,916
Investment Income	781	61,780
Grants	(762,266)	(1,281,774)
Expenditure	<u>(23,626)</u>	<u>(135,403)</u>
Unrestricted Fund	96,154	(474,481)
Movement of Asset	578,254	4,120,000
Impairment of Assets	596,791	381,374
Investment Purchase	580,000	(6,193,228)
Decrease/Increase in Debtors	(2,050,000)	2,050,000
Decrease/Increase in Creditors	<u>412,000</u>	<u>(119,667)</u>
Net Cash Flow from Activities	<u>213,199</u>	<u>(236,002)</u>
<u>Change In Cash Reporting</u>		
Cash equivalent at the beginning of period	89,996	325,998
Cash equivalent at the end of period	<u>19,896</u>	<u>89,996</u>
Change in Cash equivalent in reporting period	<u>(70,100)</u>	<u>236,002</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, 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 October 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value and the functional currency is pounds sterling.

The financial statements 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 the 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 issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

General Information

The charity is constituted by Trust Deed and is registered in England, the registered address can be found in the Trustees report along with the charity's principal activities.

Tangible Fixed Assets

The Tangible Fixed Assets of the Trust are recognised at a valuation at the year-end and any valuation increase or impairment on them are accounted for.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably.

Income from donations is recognised when there is evidence of entitlement to the gift, receipt is probable, and its amount can be measured reliably.

Income from interest is recognised 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.

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

Costs consist of the annual audit, professional fees and property running costs

Continued

1. ACCOUNTING POLICIES - continued

Taxation

The charity is exempt from tax on its charitable activities.

Fund Accounting

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

Financial Instruments

Financial assets and financial liabilities are recognised on the Charities Balance Sheet when the Charity becomes a party to the contractual provisions of the instrument.

Investments

Investments in shares which can be publicly traded are measured at fair value (market value)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand that is readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2. DONATIONS OF LEGACIES

	31.12.24	31.12.23
	£	£
Donation by P Hearn	378,455	-
Donation by OPD Group Ltd	490,612	880,916
	<u>490,612</u>	<u>880,916</u>

3. INVESTMENT INCOME

	31.12.24	31.12.23
	£	£
Investments	12,198	22,154
Deposit Account Interest	781	39,626
	<u>12,979</u>	<u>61,780</u>

4. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (see note 5)
	£
Grants Payable	<u>757,613</u>

5. GRANTS PAYABLE

	Total funds 2024	Total funds 2023
	£	£
<u>Institutions</u>		
Royal National Theatre	231,000	423,500
The Old Vic	112,000	112,000
EBP South	74,250	86,128
St Peter's London Dock	67,205	131,833
Central Foundation School	68,333	-
Trinity Laban	52,500	12,750
Deborah Ubee Trust	50,000	-
Blackheath Halls	31,986	507,567
Blackheath Conservatoire	20,000	
Other	50,339	8,000
	<u>757,613</u>	<u>1,281,778</u>

Continued

The Hearn Foundation

Statement of Financial Activities
for the Year Ended 31st December 2024

6. SUPPORT COSTS

	Governance Costs	
	31.12.24	31.12.23
	£	£
Other resources expended	<u>28,279</u>	<u>135,403</u>

Support costs, included in the above, are as follows:-

	31.12.24	31.12.23
	Other	Total
	resources	activities
	Expenses	
	£	£
Postage and stationery	232	-
Auditors' remuneration	9,750	9,750
Auditors remuneration for non-audit work	2,250	2,250
Property Costs	-	18,661
Professional Fees	16,047	19,279
Loss on Sale of Tangible F.A	<u>-</u>	<u>85,463</u>
	<u>28,279</u>	<u>135,403</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2024 and none for the year ended 31st December 2023

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st December 2024 and none for the year ended 31st December 2023

8. FIXED ASSET INVESTMENTS

	Unlisted Investments £
MARKET VALUE	
At 1st January 2024	8,569,361
Addition	4,438,454
Disposals	(3,623,039)
Revaluations	359,630
At 31st December 2024	<u>9,744,406</u>
NET BOOK VALUE	
At 31st December 2024	<u>9,744,406</u>
At 31st December 2023	<u>8,569,361</u>

Analysis of the investment held by class:	2024 £	2023 £
General Cash & Short Maturity Bonds	8,851,941	5,904,092
Bonds	892,465	2,052,654
Global	-	558,418
UK Fixed Interest	-	54,076
Cash	-	121
Total	<u>9,744,406</u>	<u>8,569,361</u>

Valuation at 31st December 2024 is represented by:

	Unlisted Investments £
Valuation in 2024	<u>9,744,406</u>

9. DEBTORS; AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.24 £	31.12.23 £
Other Debtors	<u>-</u>	<u>-</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.24 £	31.12.23 £
Other creditors	497,986	85,986
Accruals	12,000	12,000
	<u>509,986</u>	<u>97,986</u>

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	31.12.24 Total Funds £	31.12.23 Total Funds £
Fixed Assets	-	-	-
Investments	9,744,406	9,744,406	8,569,361
Current Assets	19,896	19,896	89,996
Current Liabilities	(509,986)	(509,986)	(97,986)
	<u>9,254,316</u>	<u>9,254,316</u>	<u>8,561,371</u>

Continued

12. MOVEMENT IN FUND

	At 01.01.24 £	Net movement £	At 31.12.24 £
Unrestricted Funds	<u>8,561,371</u>	<u>692,945</u>	<u>9,254,316</u>
TOTAL FUNDS	<u>8,561,371</u>	<u>692,945</u>	<u>9,254,316</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted Funds				
Unrestricted	<u>882,046</u>	<u>(785,892)</u>	<u>596,791</u>	<u>692,945</u>
TOTAL FUNDS	<u>882,046</u>	<u>(785,892)</u>	<u>596,791</u>	<u>692,945</u>

Comparative for movement in fund - 2023

	At 01.01.23 £	Net movement £	At 31.12.23 £
Unrestricted Funds			
Unrestricted	8,654,478	(93,107)	8,561,371
TOTAL FUNDS	<u>8,654,478</u>	<u>(93,107)</u>	<u>8,561,371</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted Funds				
Unrestricted	<u>942,696</u>	<u>(1,417,177)</u>	<u>381,374</u>	<u>(93,107)</u>
TOTAL FUNDS	<u>942,696</u>	<u>(1,417,177)</u>	<u>381,374</u>	<u>(93,107)</u>

The unrestricted funds represent the movement of the income, grants and expenditure.

13. RELATED PARTY DISCLOSURES

The Trust received donations of £378,455 (2023 - Nil) from Mr P Hearn and OPD Group Limited £490,612 (2023 - £880,916) a company controlled by Mr P Hearn

The related party transactions for the year are:

- In creditors is a loan from P Hearn to the trust of £497,986 (2023 £85,986)

The Hearn Foundation

Detailed Statement of Financial Activities
for the Year Ended 31st December 2024

	31.12.24	31.12.23
	£	£
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	869,067	880,916
Investment income		
Investments	12,198	22,154
Deposit account interest	<u>781</u>	<u>39,626</u>
Total Incoming Resources	<u>882,046</u>	<u>942,696</u>
EXPENDITURE		
Charitable activities		
Grants to institutions	<u>757,613</u>	<u>1,281,774</u>
Support costs		
Governance costs		
Postage and stationery	232	-
Auditors' remuneration	9,750	9,750
Auditors' remuneration for non-audit work	2,250	2,250
Property costs	-	18,661
Professional fees	16,047	19,279
Loss on Sale of Tangible F.A	<u>-</u>	<u>85,463</u>
	<u>28,279</u>	<u>135,403</u>
Total resources expended	<u>785,892</u>	<u>1,417,177</u>
Net Surplus/(Deficit)	<u>96,154</u>	<u>(474,481)</u>

THE HEARN FOUNDATION

England & Wales - Charity number 1118490

Accounts

Report of the Trustees and
Audited Financial Statements for the Year Ended 31st December 2023
For
THE HEARN FOUNDATION

Lincoln Brown & Co Limited
Chartered Certified Accountants
Statutory Auditors
Grenville House
4 Grenville Avenue
Broxbourne
Hertfordshire
EN10 7DH

The Hearn Foundation

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for the Year Ended 31st December 2023

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The Hearn Foundation

Report of the Trustees for the Year Ended 31st December 2023

The trustees present their report with the financial statements of the charity for the year ended 31st December 2023. 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 trust deeds, 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 in October 2019

The Trust is an unincorporated trust, constituted under the trust deeds dated 19th January 2007 and is a registered charity, number 1118490. The Trust was established by an initial gift from Mr P Hearn and continues to receive gifts from Mr Hearn. The Trust does not actively fundraise, but seeks to continue the philanthropic work desired by the donor through the careful stewardship of its existing resources and additional donations from Mr P J Hearn

The Trustees are appointed by the settlor during his life and thereafter by Mr M Hearn. The Trust Deed provides for a minimum of 3 trustees, to a maximum of 5 trustees.

The Trustees keep the experience and skill requirements of trustees under review and in the event that any trustee resigns or it is deemed new trustees are required, the Board will seek independent advice on any appointments.

The Trustees meet formally on a regular basis to agree all areas of activity for the Trust including grant making, investments, reserves and risk management policies and performance.

Risk Management

The Trustees have considered the risks to which the Trust is exposed regarding assets and have reviewed those risks and ensure by continual monitoring that these risks are properly managed. The Trustees consider the viability of investment returns as the Trust's risk and keep these investments under constant review.

The Trustees have agreed the major risk to which the Charity is exposed and are satisfied that systems are in place to mitigate those risks.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Trust is a charitable trust and the Trustees are authorised to apply the annual income and the capital of the Trust to such charity and charities or for such charitable purpose or purposes as the trustees shall determine.

The Trustees have decided that, for the time being, the Trust will focus on providing grants to Institutions working with underprivileged young people and to contributing to the support of the Arts. Geographic location not to be determining factor in such grants.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During 2023 the following grants have been agreed:

	Total
	£
Blackheath Halls	507,563
National Theatre	423,500
St Peters	131,833
The Old Vic	112,000
EBP South	86,128
Trinity Laban	12,750
AWT Foundation	8,000
TOTAL	<u>£ 1,281,774</u>

Public Benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on the public benefit when reviewing the Trust aims & objectives, planning for future activities, and settling grants for the year.

The main activities that the charity has undertaken to further the public benefit are by funding institutions whose main focus is towards underprivileged children and support of the Arts.

FINANCIAL REVIEW

Financial position

The trust's income from its investments and any further gifts it receive from donors. During 2023, the Trust received donations of nil (2022 - Nil) from Mr P Hearn and OPD Group Limited £880,916 (2022 - Nil) a company controlled by Mr P Hearn.

The other income of the Trust from its investments and interest was £61,780 (2022 - £1,722).

During 2022 £1,281,774 (2022 - £272,627) was spent on charitable activity.

Expenditure for the year was £31,279 (2022 £22,500) on governance of the Trust and £18,661 (2022 £38,292) to maintenance property investment.

Investments are valued at market value at the balance sheet date and revaluations / (devaluations) are reflected in the statement of financial activities. At the yearend investments were revalued by £381,374 (2022 – £(1,254,654)).

Investment policy and objectives

The trustees invest the Trust's excess funds in mainly the UK and European Equities and interest-bearing deposits with UK Banks. The trustees consider social, environmental and ethical concerns when making investments.

Reserves Policy

The current reserves policy of the Trustees is to maintain free reserves in the unrestricted funds level which equates to approximately two years of charitable expenditure taking account of average annual expenditure over the previous 3 years. The Trustees consider that this is the appropriate level to provide sufficient funds to respond to grant applications in an effective manner.

The Trustees review the funds available and grant applications on a continuous basis. The Trust deed gives the power to accumulate funds for future periods.

The Hearn Foundation

Report of the Trustees
for the Year Ended 31st December 2023

FUTURE PLANS

For the foreseeable future the Trustees intend to primarily target the work of the Trust towards underprivileged children & support of the Arts.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity Number

1118490

Principal Address

Grenville House
4 Grenville Avenue
Broxbourne
Herts
EN10 7DH

Trustees

Mr P J Hearn
Mr M Hearn
Mr J Pike

Auditors

Lincoln Brown & Co Limited
Chartered Certified Accountants
Statutory Auditors
Grenville House
4 Grenville Avenue
Broxbourne
Herts
EN10 7DH

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed require 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 those 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 2019 (FRS 102);
- 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 charity will continue in operation.
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 9th September 2024 and signed on its behalf by:

Peter Hearn

Mr P J Hearn - Trustee

Report of the Independent Auditors to the Trustees of
The Hearn Foundation

Opinion

We have audited the financial statements of The Hearn Foundation (the 'charity') for the year ended 31st December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as of 31st December 2023 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 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.

Conclusion relation 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 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.

Report of the Independent Auditors to the Trustees of
The Hearn Foundation

Matters on which we are required to report by exception

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

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; 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, the trustees are responsible for the preparation of the financial statements which 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.

Our responsibilities for the Audit of the Financial Statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with the trustees.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act 2011.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of trustees and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and

To address the risk of fraud through management bias and override of controls, we:

- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

Report of the Independent Auditors to the Trustees of
The Hearn Foundation

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation.
- reading the minutes of meetings of those charged with governance.
- enquiring of trustees as to actual and potential litigation and claims;

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 directors and other management and the inspection of regulatory and legal correspondence, if any.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Lincoln Brown & Co Limited
Chartered Certified Accountants
Statutory Auditors
Grenville House
4 Grenville Avenue
Broxbourne
Herts
EN10 7DH

9th September 2024

The Hearn Foundation

Statement of Financial Activities
for the Year Ended 31st December 2023

	NOTES	Unrestricted Funds £	31.12.23 Total Funds £	31.12.22 Total Funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	2	880,916	880,916	-
Investment income	3	61,780	61,780	1,722
Total		<u>942,696</u>	<u>942,696</u>	<u>1,722</u>
EXPENDITURE ON				
Charitable Activities				
Grants Payable	4	1,281,774	1,281,774	272,627
Other		<u>135,403</u>	<u>135,403</u>	<u>60,792</u>
Total		<u>1,417,177</u>	<u>1,417,177</u>	<u>333,419</u>
		(474,481)	(474,481)	(331,697)
Other Recognised Gains/(Losses)				
Gains/(Losses) on revaluation of fixed assets		<u>381,374</u>	<u>381,374</u>	<u>(1,254,654)</u>
NET INCOME/(EXPENDITURE)				
Transfer between funds	13	-	-	-
				-
New movement in funds		(93,107)	(93,107)	(1,586,351)
RECONCILIATION OF FUNDS				
Total funds brought forward		<u>8,654,478</u>	<u>8,654,478</u>	<u>10,240,829</u>
TOTAL FUNDS CARRIED FORWARD		<u>8,561,371</u>	<u>8,561,371</u>	<u>8,654,478</u>

Notes:-

See Page 18 note.

Should donation be under unrestricted funds.

The Hearn Foundation

Statement of Financial Activities
for the Year Ended 31st December 2023

		31.12.23 £	31.12.22 £
	Notes		
FIXED ASSETS			
Tangible Assets	9	-	4,120,000
Investments	10	8,569,361	2,376,133
		<u>8,569,361</u>	<u>6,496,133</u>
CURRENT ASSETS			
Debtors	11	-	2,050,000
Cash at bank		89,996	325,998
CREDITORS			
Amounts falling due within one year	12	<u>(97,986)</u>	<u>(217,653)</u>
NET CURRENT ASSETS		<u>(7,990)</u>	<u>2,158,345</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,561,371</u>	<u>8,654,478</u>
NET ASSETS		<u>8,561,371</u>	<u>8,654,478</u>
FUNDS	14		
Unrestricted funds		<u>8,561,371</u>	<u>8,654,478</u>
TOTAL FUNDS		<u>8,561,371</u>	<u>8,654,478</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 9th September 2024 and were signed on its behalf by:-

Peter Hearn

Mr P J Hearn - Trustee

The Hearn Foundation

Statement of Financial Activities
for the Year Ended 31st December 2023

	31.12.23	31.12.22
	£	£
	Notes	
<u>Income/Expenditure for Reporting Person</u>		
Donation	880,916	-
Investment Income	61,780	1,722
Grants	(1,281,774)	(272,627)
Expenditure	<u>(135,403)</u>	<u>(60,792)</u>
Unrestricted Fund	(474,481)	(331,697)
Movement of Asset	4,120,000	1,254,654
Impairment of Assets	381,374	(1,254,654)
Investment Purchase	(6,193,228)	-
Decrease/Increase in Debtors	2,050,000	(2,050,000)
Decrease/Increase in Creditors	<u>(119,667)</u>	<u>203,988</u>
Net Cash Flow from Activities	<u><u>(236,002)</u></u>	<u><u>(2,177,709)</u></u>
<u>Change in Cash Reporting</u>		
Cash equivalent at the beginning of period	325,998	2,503,707
Cash equivalent at the end of period	<u>89,996</u>	<u>325,998</u>
Change in Cash equivalent in reporting period	<u><u>236,002</u></u>	<u><u>2,177,709</u></u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, 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 October 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value and the functional currency is pounds sterling.

The financial statements 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 the 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 issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

General Information

The charity is constituted by Trust Deed and is registered in England, the registered address can be found in the Trustees report along with the charity's principal activities.

Tangible Fixed Assets

The Tangible Fixed Assets of the Trust are recognised at a valuation at the year-end and any valuation increase or impairment on them are accounted for.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably.

Income from donations is recognised when there is evidence of entitlement to the gift, receipt is probable, and its amount can be measured reliably.

Income from interest is recognised 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

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

Costs consist of the annual audit, professional fees and property running costs

Continued

1. ACCOUNTING POLICIES - continued

Taxation

The charity is exempt from tax on its charitable activities.

Fund Accounting

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

Financial Instruments

Financial assets and financial liabilities are recognised on the Charities Balance Sheet when the Charity becomes a party to the contractual provisions of the instrument.

Investments

Investments in shares which can be publicly traded are measured at fair value (market value)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand that is readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2. DONATIONS OF LEGACIES

	31.12.23	31.12.22
	£	£
Donation by P Hearn	<u>880,916</u>	<u>NIL</u>

3. INVESTMENT INCOME

	31.12.23	31.12.22
	£	£
Investments	22,154	-
Deposit Account Interest	<u>39,626</u>	<u>1,722</u>
	<u>61,780</u>	<u>1,722</u>

4. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (see note 5)
	£
Grants Payable	<u>1,281,774</u>

5. GRANTS PAYABLE

	Total funds 2023	Total funds 2022
	£	£
<u>Institutions</u>		
Blakheath Halls	507,567	15,000
National Theatre	423,500	60,600
St Peters Lond Dock School	131,833	-
The Old Vic	112,000	99,500
EBP South	86,128	67,527
Trinity Laban	12,750	10,000
AWT Foundation	8,000	17,000
Friends of Ashton School	-	3,000
Other Grants	-	-
	<u>1,281,778</u>	<u>272,627</u>

Continued

The Hearn Foundation

Statement of Financial Activities
for the Year Ended 31st December 2023

6. SUPPORT COSTS

	Governance Costs	
	31.12.23	31.12.22
	£	£
Other resources expended	<u>135,403</u>	<u>60,792</u>

Support costs, included in the above, are as follows:-

	31.12.23	31.12.22
	Other resources Expenses £	Total activities £
Auditors' remuneration	9,750	9,750
Auditors remuneration for non-audit work	2,250	3,000
Property Costs	18,661	38,292
Professional Fees	19,279	9,750
Loss on Sale of Tangible F.A	<u>85,463</u>	-
	<u>135,403</u>	<u>60,792</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2023 and none for the year ended 31st December 2022

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st December 2023 and none for the year ended 31st December 2022

8. TANGIBLE FIXED ASSETS

	Long Leasehold £
DEEMED COSTS	
At 1st January 2023	6,500,000
Disposal	<u>(6,500,000)</u>
	-
DEPRECIATION	
As at the 1st January 2023	2,380,000
As at the Disposal	<u>(2,380,000)</u>
Impairments	-
	-
NET BOOK VALUE	
At 31st December 2023	<u>-</u>
At 31st December 2022	<u>4,120,000</u>

Continued

9. FIXED ASSET INVESTMENTS

	Unlisted Investments £
MARKET VALUE	
At 1st January 2023	2,376,133
Addition	5,800,000
Revaluations	393,228
At 31st December 2023	<u>8,569,361</u>
NET BOOK VALUE	
At 31st December 2023	<u>8,569,361</u>
At 31st December 2022	<u>2,376,133</u>

Analysis of the investment held by class:

	2023 £	2022 £
Blackrock ICS	5,904,092	-
UK Investments	2,052,654	575,031
Global	558,418	508,951
European	-	797,070
UK Fixed Interest	54,076	50,106
Cash	121	444,975
Total	<u>8,569,361</u>	<u>2,376,133</u>

Valuation at 31st December 2023 is represented by:

	Unlisted Investments £
Valuation in 2023	<u>8,569,361</u>

10. DEBTORS; AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.23 £	31.12.22 £
Other Debtors	<u>NIL</u>	<u>2,050,000</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.23 £	31.12.22 £
Other creditors	85,986	204,903
Accruals	12,000	12,750
	<u>97,986</u>	<u>217,653</u>

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	31.12.23 Unrestricted Funds £	31.12.22 Total Funds £	31.12.22 Total Funds £
Fixed Assets	-	-	4,120,000
Investments	8,569,361	8,569,361	2,376,133
Current Assets	89,996	89,996	2,376,998
Current Liabilities	<u>(97,986)</u>	<u>(97,986)</u>	<u>(217,653)</u>
	<u>8,561,371</u>	<u>8,561,371</u>	<u>8,655,478</u>

Continued

The notes form part of these financial statements

13. MOVEMENT IN FUNDS

	At 01.01.23 £	Net movement in funds £	Transfers between funds £	At 31.12.23 £
Unrestricted Funds				
Unrestricted	<u>8,654,478</u>	<u>(93,107)</u>	<u>-</u>	<u>8,561,371</u>
TOTAL FUNDS	<u>8,654,478</u>	<u>(93,107)</u>	<u>-</u>	<u>8,561,371</u>

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

	Incoming resources £	Recourses expended £	Gains and losses £	Movement in funds £
Unrestricted Funds				
Unrestricted	<u>942,696</u>	<u>(1,417,177)</u>	<u>381,374</u>	<u>(93,107)</u>
TOTAL FUNDS	<u>942,696</u>	<u>(1,417,177)</u>	<u>381,374</u>	<u>(93,107)</u>

Comparative for movement in funds - 2022

	At 01.01.22 £	Net movement in funds £	Transfers Between funds £	At 31.12.22 £
Unrestricted Funds				
Unrestricted	10,240,829	(1,586,351)	-	8,654,478
TOTAL FUNDS	<u>10,240,829</u>	<u>(1,586,351)</u>	<u>-</u>	<u>8,654,478</u>

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

	Incoming resources £	Recourses expended £	Gains and losses £	Movement in funds £
Unrestricted Funds				
Unrestricted	<u>1,722</u>	<u>(333,419)</u>	<u>(1,254,654)</u>	<u>(1,586,351)</u>
TOTAL FUNDS	<u>1,722</u>	<u>(333,419)</u>	<u>(1,254,654)</u>	<u>(1,586,351)</u>

The unrestricted funds represent the movement of the income, grants and expenditure.

14. RELATED PARTY DISCLOSURES

The Trust received donations of nil (2022 - Nil) from Mr P Hearn and OPD Group Limited £880,916 (2022 - Nil) a company controlled by Mr P Hearn

The related party transactions for the year are:

- In creditors is a loan from P Hearn to the trust of £85,986 (2022 £140,987)


The Hearn Foundation

Deatiled Statement of Financial Activities
for the Year Ended 31st December 2023

	31.12.23 £	31.12.22 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	880,916	-
Investment income		
Investments	22,154	-
Desposit account interest	<u>39,626</u>	<u>1,722</u>
Total Incoming Resources	<u>942,696</u>	<u>1,722</u>
EXPENDITURE		
Charitable activities		
Grants to institutions	<u>1,281,774</u>	<u>272,627</u>
Support costs		
Governance costs		
Auditors' remuneration	9,750	9,750
Auditors' remuneration for non-audit work	2,250	3,000
Property costs	18,661	38,292
Professional fees	19,279	9,750
Loss on Sale of Tangible F.A	<u>85,463</u>	<u>-</u>
	<u>135,403</u>	<u>60,792</u>
Total resources expended	<u>1,417,177</u>	<u>333,419</u>
Net Surplus/(Deficit)	<u>(474,481)</u>	<u>(331,697)</u>

Signature Certificate

Reference number: OVKHS-MQHVV-ISSIK-ZG8R4

Signer	Timestamp	Signature
Peter Hearn Email: peterhearn@hotmail.com Sent: 09 Sep 2024 14:42:59 UTC Viewed: 09 Sep 2024 15:06:59 UTC Signed: 09 Sep 2024 15:07:37 UTC		
Recipient Verification: ✓ Email verified	09 Sep 2024 15:06:59 UTC	IP address: 86.180.37.211 Location: Lewisham, United Kingdom

Document completed by all parties on:
09 Sep 2024 15:07:37 UTC

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THE HEARN FOUNDATION

England & Wales - Charity number 1118490

Accounts

Report of the Trustees and
Audited Financial Statements for the Year Ended 31st December 2020
for
The Hearn Foundation

Lincoln Brown & Co Limited
Chartered Certified Accountants
Statutory Auditors
Grenville House
4 Grenville Avenue
Broxbourne
Hertfordshire
EN10 7DH

The Hearn Foundation

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for the Year Ended 31st December 2020

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The Hearn Foundation

Report of the Trustees for the Year Ended 31st December 2020

The trustees present their report with the financial statements of the charity for the year ended 31st 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 trust deeds, 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 in October 2019

The Trust is an unincorporated trust, constituted under the trust deeds dated 19th January 2007 and is a registered charity, number 1118490. The Trust was established by an initial gift from Mr P Hearn and continues to receive gifts from Mr Hearn. The Trust does not actively fundraise, but seeks to continue the philanthropic work desired by the donor through the careful stewardship of its existing resources and additional donation from Mr P J Hearn

The Trustees are appointed by the settlor during his life and thereafter by Mr M Hearn. The Trust Deed provides for a minimum of 3 trustees, to a maximum of 5 trustees.

The Trustees keep the experience and skill requirements of trustees under review and in the event that any trustee resigns or it is deemed new trustees are required, the Board will seek independent advice on any appointments.

The Trustees meet formally on a regular basis to agree all areas of activity for the Trust including grant making, investments, reserves and risk management policies and performance.

Risk Management

The Trustees have considered the major risks to which the Trust is exposed and have reviewed those risks and ensure by continual monitoring that these risks are properly managed. The Trustees consider the viability of investment returns as the Trust's major risk and keep these investments under constant review.

The Trustees have agreed the major risk to which the Charity is exposed and are satisfied that systems are in place to mitigate those risks.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Trust is a charitable trust and the Trustees are authorised to apply the annual income and the capital of the Trust to such charity and charities or for such charitable purpose or purposes as the trustees shall determine.

The Trustees have decided that, for the time being, the Trust will focus on providing grants to Institutions working with underprivileged young people and to contributing to the support of the Arts. Geographic location not to be determining factor in such grants.

The Hearn Foundation

Report of the Trustees
for the Year Ended 31st December 2020

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During 2020 the following grants have been agreed:

	Total £
National Theatre	200,000
St Peter's London Docks School	56,379
EBP South	54,562
AWT Foundation	37,000
Others	12,800
Total	<u>£360,741</u>

Public Benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on the public benefit when reviewing the Trust aims & objectives, planning for future activities and settling grants for the year.

The main activities that the charity has undertaken to further the public benefit are by funding institutions whose main focus is towards underprivileged children and support of the Arts.

FINANCIAL REVIEW

Financial position

The trust's income is from its investments and any further gifts it receive from donors. During 2020, the Trust received donations of £6,699,259 (2019 - £163,439) from Mr P Hearn. The income of the trust from its investments was £2,577 (2019 - £2,667). During 2020 £360,741 (2019 - £233,798) was spent on charitable activity and £7,200 (2019 £6,600) on governance of the Trust and £9,469 to maintain property investment.

Investments are valued at market value at the balance sheet date and revaluations / devaluations are reflected in the statement of financial activities. At the year end investments were revalued by £451,843 (2019 (£872,520)).

Investment policy and objectives

The trustees invest the Trust's excess funds in mainly the UK and European Equities and interest bearing deposits with UK Banks. The Trustees take into account social, environmental and ethical concerns when making investments.

FINANCIAL REVIEW

Reserves policy

The current reserves policy of the Trustees is to maintain free reserves in the unrestricted funds level which equates to approximately two years of charitable expenditure taking account of average annual expenditure over the previous 3 years. The Trustees consider that this is the appropriate level to provide sufficient funds to respond to grant applications in an effective manner.

The Trustees review the funds available and grant applications on a continuous basis. The Trust deed gives the power to accumulate funds for future periods.

FUTURE PLANS

For the foreseeable future the Trustees intend to primarily target the work of the Trust towards underprivileged children & support of the Arts.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1118490

Principal address

Flat 94
Cinnabar Wharf East
28 Wapping High Street
Wapping
London
E1W 1NG

Trustees

Mr P J Hearn
Mr M Hearn
Mr J Pike

Auditors

Lincoln Brown & Co Limited
Chartered Certified Accountants
Statutory Auditors
Grenville House
4 Grenville Avenue
Broxbourne
Hertfordshire
EN10 7DH

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees 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).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed require 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 those 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 2019 (FRS 102);
- 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 charity will continue in operation.
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 22nd September 2021 and signed on its behalf by:

Mr P J Hearn - Trustee

Report of the Independent Auditors to the Trustees of
The Hearn Foundation

Opinion

We have audited the financial statements of The Hearn Foundation (the 'charity') for the year ended 31st December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 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.

Report of the Independent Auditors to the Trustees of
The Hearn Foundation

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.

Matters on which we are required to report by exception

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

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; 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, the trustees are responsible for the preparation of the financial statements which 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.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with the trustees.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act 2011.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of trustees and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charities financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and

To address the risk of fraud through management bias and override of controls, we:

- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

Report of the Independent Auditors to the Trustees of
The Hearn Foundation

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of trustees as to actual and potential litigation and claims;

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 directors and other management and the inspection of regulatory and legal correspondence, if any.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Lincoln Brown & Co Limited
Chartered Certified Accountants
Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Grenville House
4 Grenville Avenue
Broxbourne
Hertfordshire
EN10 7DH

22nd September 2021

The Hearn Foundation

Statement of Financial Activities
for the Year Ended 31st December 2020

	Notes	Unrestricted funds £	Endowment fund £	31.12.20 Total funds £	31.12.19 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	6,500,000	199,259	6,699,259	163,439
Investment income	3	2,577	-	2,577	2,667
Total		6,502,577	199,259	6,701,836	166,106
EXPENDITURE ON					
Charitable activities					
Grants Payable	4	-	360,741	360,741	233,798
Other		16,669	-	16,669	6,600
Total		16,669	360,741	377,410	240,398
NET INCOME/(EXPENDITURE)		6,485,908	(161,482)	6,324,426	(74,292)
Transfers between funds	13	1,430,752	(1,430,752)	-	-
Other recognised gains/(losses)					
Gains/(losses) on revaluation of fixed assets		-	(451,843)	(451,843)	872,520
Net movement in funds		7,916,660	(2,044,077)	5,872,583	798,228
RECONCILIATION OF FUNDS					
Total funds brought forward		123,332	5,654,903	5,778,235	4,980,007
TOTAL FUNDS CARRIED FORWARD		8,039,992	3,610,826	11,650,818	5,778,235

The notes form part of these financial statements

The Hearn Foundation

Balance Sheet

31st December 2020

	Notes	31.12.20 £	31.12.19 £
FIXED ASSETS			
Tangible assets	9	6,500,000	-
Investments	10	2,375,717	4,419,794
		<u>8,875,717</u>	<u>4,419,794</u>
CURRENT ASSETS			
Cash at bank		2,782,301	1,371,641
CREDITORS			
Amounts falling due within one year	11	(7,200)	(13,200)
		<u>2,775,101</u>	<u>1,358,441</u>
NET CURRENT ASSETS			
		<u>2,775,101</u>	<u>1,358,441</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		11,650,818	5,778,235
		<u>11,650,818</u>	<u>5,778,235</u>
NET ASSETS			
		<u>11,650,818</u>	<u>5,778,235</u>
FUNDS	13		
Unrestricted funds		8,039,992	123,332
Endowment funds		3,610,826	5,654,903
		<u>11,650,818</u>	<u>5,778,235</u>
TOTAL FUNDS		<u>11,650,818</u>	<u>5,778,235</u>

The financial statements were approved and authorised for issue by the Board of Trustees and authorised for issue on 22nd September 2021 and were signed on its behalf by:

Mr P J Hearn - Trustee

The Hearn Foundation

Cash Flow Statement
for the Year Ended 31st December 2020

	Notes	31.12.20 £	31.12.19 £
Cash flows from operating activities			
Cash generated from operations	1	6,477,331	(6,600)
Net cash provided by/(used in) operating activities		<u>6,477,331</u>	<u>(6,600)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(6,500,000)	-
Sale of fixed asset investments		1,592,234	586,543
Interest received		2,577	3,619
Net cash (used in)/provided by investing activities		<u>(4,905,189)</u>	<u>590,162</u>
Cash flows from financing activities			
Income attributable to endowment		199,259	163,439
Expenditure attributable to endowment		(360,741)	(233,798)
Net cash used in financing activities		<u>(161,482)</u>	<u>(70,359)</u>
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at the beginning of the reporting period		<u>1,410,660</u>	<u>513,203</u>
Cash and cash equivalents at the end of the reporting period		<u><u>2,782,301</u></u>	<u><u>1,371,641</u></u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31st December 2020

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.12.20 £	31.12.19 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	6,324,426	(74,292)
Adjustments for:		
Interest received	(2,577)	(3,619)
Income attributable to endowment	(199,259)	(163,439)
Expenditure attributable to endowment	360,741	233,798
Adjustment	(6,000)	952
Net cash provided by/(used in) operations	<u>6,477,331</u>	<u>(6,600)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.20 £	Cash flow £	At 31.12.20 £
Net cash			
Cash at bank	1,371,641	1,410,660	2,782,301
	<u>1,371,641</u>	<u>1,410,660</u>	<u>2,782,301</u>
Total	<u>1,371,641</u>	<u>1,410,660</u>	<u>2,782,301</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, 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 October 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value and the functional currency is pounds sterling.

The financial statements 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 the 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 issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn

General information

The charity is constituted by Trust Deed and is registered in England, the registered address can be found in the Trustees report along with the charity's principal activities.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income from donations is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably

Income from interest is recognised 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.

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

Notes to the Financial Statements - continued
for the Year Ended 31st December 2020

1. ACCOUNTING POLICIES - continued

Expenditure

Governance costs consist of the annual audit and property fees.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

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

Endowment funds represent those assets which must be held permanently by the charity, the nature of those assets, and how income, relevant expenditure, and capital gains and losses are accounted for.

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

Financial instruments

Financial assets and financial liabilities are recognised on the Charities Statement of Financial Position when the Charity becomes a party to the contractual provisions of the instrument.

Investments

Investments in shares which can be publicly traded are measured at fair value (market value)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand that is readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2. DONATIONS AND LEGACIES

	31.12.20	31.12.19
	£	£
Donation by P Hearn	6,699,259	163,439
	<u>6,699,259</u>	<u>163,439</u>

Notes to the Financial Statements - continued
for the Year Ended 31st December 2020

3. INVESTMENT INCOME

	31.12.20	31.12.19
	£	£
Deposit account interest	2,577	2,667
	<u>2,577</u>	<u>2,667</u>

4. CHARITABLE ACTIVITIES COSTS

		Grant funding of activities (see note 5)
		£
Grants Payable		360,741
		<u>360,741</u>

5. GRANTS PAYABLE

	31.12.20	31.12.19
	£	£
Grants Payable	360,741	233,798
	<u>360,741</u>	<u>233,798</u>

<u>Institutions</u>	Endowmen t Funds £	Total Funds 2020 £	Total Funds 2019 £
St Peter's London Dock School	56,379	56,379	53,147
AWT Foundation	37,000	37,000	-
National Theatre	200,000	200,000	100,000
EPB South	32,208	32,208	32,208
Humanist UK	-	-	15,000
Other Grants	12,800	12,800	33,443
	<u>360,741</u>	<u>360,741</u>	<u>233,798</u>

Notes to the Financial Statements - continued
for the Year Ended 31st December 2020

6. SUPPORT COSTS

	Governance costs £
Other resources expended	16,669
	<u>16,669</u>

Support costs, included in the above, are as follows:

	31.12.20	31.12.19
	Other resources expended £	Total activities £
Auditors' remuneration	6,200	5,600
Auditors' remuneration for non audit work	1,000	1,000
Property costs	9,469	-
	<u>16,669</u>	<u>6,600</u>

7. AUDITORS' REMUNERATION

	31.12.20	31.12.19
	£	£
Fees payable to the charity's auditors for the audit of the charity's financial statements	6,200	5,600
Other non-audit services	1,000	1,000
	<u>7,200</u>	<u>6,600</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2020 nor for the year ended 31st December 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st December 2020 nor for the year ended 31st December 2019.

Notes to the Financial Statements - continued
for the Year Ended 31st December 2020

9. TANGIBLE FIXED ASSETS

	Freehold property £
COST	
Additions	6,500,000
NET BOOK VALUE	
At 31st December 2020	6,500,000
At 31st December 2019	-

10. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1st January 2020	4,419,794
Disposals	(1,592,234)
Revaluations	(451,843)
At 31st December 2020	2,375,717
NET BOOK VALUE	
At 31st December 2020	2,375,717
At 31st December 2019	4,419,794

Analysis of the investments held by class:

	2020 £	2019 £
UK Investments	897,707	2,385,552
Global	222,971	139,063
European	804,360	1,427,807
Property	-	-
UK Fixed Interest	60,453	111,331
Cash	390,253	356,040
Total	2,375,744	4,419,793

Notes to the Financial Statements - continued
for the Year Ended 31st December 2020

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20	31.12.19
	£	£
Other creditors	7,200	13,200
	<u>7,200</u>	<u>13,200</u>

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Endowment fund £	31.12.20 Total funds £	31.12.19 Total funds £
Fixed assets	6,500,000	-	6,500,000	-
Investments	-	2,375,717	2,375,717	4,419,794
Current assets	1,547,192	1,235,109	2,782,301	1,371,641
Current liabilities	(7,200)	-	(7,200)	(13,200)
	<u>8,039,992</u>	<u>3,610,826</u>	<u>11,650,818</u>	<u>5,778,235</u>

13. MOVEMENT IN FUNDS

	At 1.1.20 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
Unrestricted funds				
Unrestricted	123,332	6,485,908	1,430,752	8,039,992
Endowment funds				
Expendable Endowment Fund	5,654,903	(613,325)	(1,430,752)	3,610,826
TOTAL FUNDS	<u>5,778,235</u>	<u>5,872,583</u>	<u>-</u>	<u>11,650,818</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted	6,502,577	(16,669)	-	6,485,908
Endowment funds				
Expendable Endowment Fund	199,259	(360,741)	(451,843)	(613,325)
TOTAL FUNDS	<u>6,701,836</u>	<u>(377,410)</u>	<u>(451,843)</u>	<u>5,872,583</u>

Notes to the Financial Statements - continued
for the Year Ended 31st December 2020

13. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.19 £	Net movement in funds £	At 31.12.19 £
Unrestricted funds			
Unrestricted	127,265	(3,933)	123,332
Endowment funds			
Expendable Endowment Fund	4,852,742	802,161	5,654,903
TOTAL FUNDS	<u>4,980,007</u>	<u>798,228</u>	<u>5,778,235</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted	2,667	(6,600)	-	(3,933)
Endowment funds				
Expendable Endowment Fund	163,439	(233,798)	872,520	802,161
TOTAL FUNDS	<u>166,106</u>	<u>(240,398)</u>	<u>872,520</u>	<u>798,228</u>

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

	At 1.1.19 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
Unrestricted funds				
Unrestricted	127,265	6,481,975	1,430,752	8,039,992
Endowment funds				
Expendable Endowment Fund	4,852,742	188,836	(1,430,752)	3,610,826
TOTAL FUNDS	<u>4,980,007</u>	<u>6,670,811</u>	<u>-</u>	<u>11,650,818</u>

Notes to the Financial Statements - continued
for the Year Ended 31st December 2020

13. MOVEMENT IN FUNDS - continued

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 £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted	6,505,244	(23,269)	-	6,481,975
Endowment funds				
Expendable Endowment Fund	362,698	(594,539)	420,677	188,836
TOTAL FUNDS	<u>6,867,942</u>	<u>(617,808)</u>	<u>420,677</u>	<u>6,670,811</u>

The expendable endowment fund represents non-restricted donations which the trustees use to fund expenditure that is not covered by annual income. Expenditure on the fund represents the value of grants made in the year.

14. RELATED PARTY DISCLOSURES

The only related party transaction for the period was that of the donation received from Mr P Hearn which amounted to £6,699,259 (2019 £163,439) these donations were made without conditions.

15. POST BALANCE SHEET EVENTS

The coronavirus pandemic has not affected the charity's ability to keep providing donations even with the fall in value of the fixed asset investment to £2,376,000

16. FINANCIAL INSTRUMENTS

The carrying amount for each category of financial instrument is as follows:

	31.12.20 £	31.12.19 £
Financial assets		
Financial assets measured at amortised cost	2,782,301	1,317,641
Financial assets measured at fair value	8,875,717	4,419,794
	<u>11,658,018</u>	<u>5,791,435</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>7,200</u>	<u>13,200</u>

The Hearn Foundation

Detailed Statement of Financial Activities
for the Year Ended 31st December 2020

	31.12.20 £	31.12.19 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donation by P Hearn	6,699,259	163,439
Investment income		
Deposit account interest	2,577	2,667
Total incoming resources	<u>6,701,836</u>	<u>166,106</u>
EXPENDITURE		
Charitable activities		
Grants to institutions	360,741	233,798
Support costs		
Governance costs		
Auditors' remuneration	6,200	5,600
Auditors' remuneration for non audit work	1,000	1,000
Property costs	9,469	-
	<u>16,669</u>	<u>6,600</u>
Total resources expended	<u>377,410</u>	<u>240,398</u>
Net income/(expenditure)	<u><u>6,324,426</u></u>	<u><u>(74,292)</u></u>

This page does not form part of the statutory financial statements