

**THE HEGARTY FOUNDATION**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 5 APRIL 2024**

# THE HEGARTY FOUNDATION

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Sir J K Hegarty OBE Lady P P Hegarty Ms L J A Hegarty
<b>Charity number</b>	1170890
<b>Independent examiner</b>	Shaw Gibbs Limited 264 Banbury Road Oxford OX2 7DY
<b>Bankers</b>	Coutts & Co 440 Strand London WC2R 0QS
<b>Investment advisors</b>	Sanlam Wealth Monument Place 24 Monument Street London EC3R 8AJ

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# THE HEGARTY FOUNDATION

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# THE HEGARTY FOUNDATION

## TRUSTEES REPORT

### FOR THE YEAR ENDED 5 APRIL 2024

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The Trustees present their annual report and financial statements for the year ended 5 April 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Foundation Foundations Trust Deed, 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 (FRS 102)" (effective 1 January 2019).

#### **Objectives and activities**

The Foundation's objective and principal activity is the advancement of education funding to British students from deprived backgrounds who for lack of funds are unable to pursue an arts education at the University of Arts London.

The Foundation will achieve its objective by providing grants and financial assistance in accordance with the trust deed.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and in planning future activities and setting the grant making policy for the year.

#### **Achievements and performance**

##### *Significant activities and achievements against objectives*

The Foundation received a large donation in the period ended 5 April 2018 from the Trustees of £1,182,210 which has been invested, taking into account advice from their investment advisors. The investment has generated income from which the Foundation has paid grants of £60,000 (2023: £60,000) in the year to one institution and a group of students. The grants have been paid to the University of Arts London, who have in turn nominated students in the University in line with the Trust's objectives.

#### **Financial review**

The net deficit for the year before gains on investments amounted to £36,861 (2023: £47,540).

##### *Reserves policy*

The Trustees' policy is to maintain reserves so that there is sufficient income arising from the assets and investments held to maintain the current level of donations and grants. In the event that the investment income is insufficient the Trustees would use the reserves to maintain the desired level of donations and grants. At the year end the charity had reserves of £1,005,625 (2023: £1,001,319).

##### *Investment policy*

The Trustees have wide investment powers, without restriction. The present investment policy is to seek a long term balance between capital preservation, on the one hand, and income maximisation on the other. The Trustees want the investments held by the charity to generate sufficient income to pay the grants each year.

The investment policy of the Foundation is on a low risk basis and the finances are monitored regularly by the Trustees. The Trustees are therefore satisfied that they have taken the necessary steps to minimise the operational risks of the Foundation.

##### *Major risks*

The Trustees have assessed the major risks to which the Foundation is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. One risk to the Foundation is that the investments held do not generate sufficient income, this is mitigated as shown in the investment policy above.

#### **Plans for future periods**

It is the Trustees intention to maintain grants to the University of Arts London at the same level as the current period, subject to being able to maximise the capital and income of the Foundation.

The Foundation continues to work closely with its investment manager to assess the impact on the value of the investments and the knock on effect on the ability to offer grants.

# THE HEGARTY FOUNDATION

## TRUSTEES REPORT (CONTINUED)

### FOR THE YEAR ENDED 5 APRIL 2024

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#### **Structure, governance and management**

The Hegarty Foundation is an unincorporated trust, constituted under a deed dated 21 December 2016.

The Trustees who served during the year and up to the date of signature of the financial statements were:

Sir J K Hegarty OBE

Lady P P Hegarty

Ms L J A Hegarty

#### *Recruitment and appointment of trustees*

The Foundation is governed by the Trustees. In accordance with the trust deed there must be at least three Trustees, every Trustee must be appointed for a term of three years by a resolution of the Trustees passed at a special meeting as prescribed in clause 15 of the deed.

In selecting individuals for appointment as Trustees, the Trustees must have regard to the skills, knowledge and experience needed for the effective administration of the Foundation.

#### *Organisational structure*

The chair, Sir J K Hegarty, has continued in their role this year following their appointment. No business shall be conducted at the Trustee meetings unless at least one-third of the total number of Trustees, or two Trustees, are present at the meetings. At Trustee meetings decisions must be made by a majority if the Trustees present and voting on the question. The person chairing the meeting will have the casting vote

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The Trustees report was approved by the Board of Trustees.

.....  
Sir J K Hegarty OBE

**Trustee**

Date: .....

# THE HEGARTY FOUNDATION

## STATEMENT OF TRUSTEES RESPONSIBILITIES

### *FOR THE YEAR ENDED 5 APRIL 2024*

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The Trustees are responsible for preparing the Trustees Report 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 requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources of the Foundation for that year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and 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 Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# THE HEGARTY FOUNDATION

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF THE HEGARTY FOUNDATION

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I report to the Trustees on my examination of the financial statements of The Hegarty Foundation (the Foundation) for the year ended 5 April 2024.

#### **Responsibilities and basis of report**

As the Trustees of the Foundation you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the Foundation's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### **Independent examiner's statement**

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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

- 1 accounting records were not kept in respect of the Foundation as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

**Samantha Daniels**  
**Shaw Gibbs Limited**

264 Banbury Road  
Oxford  
OX2 7DY

Dated: .....

# THE HEGARTY FOUNDATION

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 5 APRIL 2024**

	Notes	Unrestricted funds 2024 £	Unrestricted funds 2023 £
<b>Income from:</b>			
Investments	3	31,402	22,277
<b>Total income</b>		31,402	22,277
<b>Expenditure on:</b>			
Raising funds	4	5,268	4,869
Charitable activities	5	62,995	64,948
<b>Total expenditure</b>		68,263	69,817
Net gains/(losses) on investments	12	41,167	(38,041)
<b>Net income/(expenditure) and movement in funds</b>		4,306	(85,581)
<b>Reconciliation of funds:</b>			
Fund balances at 6 April 2023		1,001,319	1,086,900
<b>Fund balances at 5 April 2024</b>		1,005,625	1,001,319

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.



# THE HEGARTY FOUNDATION

## BALANCE SHEET

AS AT 5 APRIL 2024

		2024		2023	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Investments	14		1,001,474		1,000,230
<b>Current assets</b>					
Debtors	15	4,815		939	
Cash at bank and in hand		4,881		3,600	
		9,696		4,539	
<b>Creditors: amounts falling due within one year</b>	16	(5,545)		(3,450)	
<b>Net current assets</b>			4,151		1,089
<b>Total assets less current liabilities</b>			1,005,625		1,001,319
<b>Net assets excluding pension liability</b>			1,005,625		1,001,319
<b>The funds of the Foundation</b>					
Unrestricted funds			1,005,625		1,001,319
			1,005,625		1,001,319

The financial statements were approved by the Trustees on .....

.....  
 Sir J K Hegarty OBE  
**Trustee**

# THE HEGARTY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 5 APRIL 2024

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#### 1 Accounting policies

##### Charity information

The Hegarty Foundation is a charity governed by its trust deed dated 21 December 2016.

The Hegarty Foundation's administrative office is Apartment 26, 206 St John Street, London, EC1V 4JY. It is registered with Charity Commissioners in England and Wales under number 1170890.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the Foundation's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

The Foundation is a Public Benefit Entity as defined by FRS 102.

The Foundation has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

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 second edition of the Charities Statement of Recommended Practice issued in October 2019 applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements 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 Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the Foundation. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. In reaching this conclusion the Trustees have considered the working capital position and the current and expected results of the Foundation. At the period end, the Foundation had total assets less current liabilities of £1,003,984 (2023: £1,001,319), including a strong cash balance and investments balance. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 1.3 Charitable funds

All funds are unrestricted and held for the general use of the Foundation in accordance with its trust deed.

##### 1.4 Income

Income is recognised when the Foundation is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

# THE HEGARTY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 5 APRIL 2024

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#### 1 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the Foundation has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

##### *Investments*

Income from investments is accounted for on a receivable basis.

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and is inclusive of any VAT which cannot be recovered.

Grant funding of activities relates to payments made to third parties in the furtherance of the charitable objectives of the Foundation.

Support and governance costs are those functions that assist the work of the Foundation but do not directly undertake charitable activities. Governance costs comprise all costs involving the public accountability of the Foundation and its compliance with regulation and good practice.

#### 1.6 Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The charity does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value.

Realised and unrealised investments gains and losses are combined in the Statement of Financial Activities.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

#### 1.8 Financial instruments

The Foundation has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Foundation's balance sheet when the Foundation becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# THE HEGARTY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2024

### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

### 2 Critical accounting estimates and judgements

In the application of the Foundation's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### **Critical accounting estimates and areas of judgement**

No significant accounting estimates were required or made by the Trustees in the preparation of the financial statements.

### 3 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income from listed investments	17,457	13,724
Interest receivable	13,945	8,553
	<u>31,402</u>	<u>22,277</u>

### 4 Expenditure on raising funds

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Investment management	5,268	4,869

# THE HEGARTY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2024

### 5 Expenditure on charitable activities

	Advanceme nt of education 2024 £	Advanceme nt of education 2023 £
<b>Direct costs</b>		
Foreign tax deducted	-	1,356
UK tax deducted	-	126
	-	1,482
Grant funding of activities (see note 7)	60,000	60,000
<b>Share of support and governance costs (see note 8)</b>		
Support	-	46
Governance	2,995	3,420
	62,995	64,948
<b>Analysis by fund</b>		
Unrestricted funds	62,995	64,948

### 6 Description of charitable activities

#### Advancement of education

The Foundation's aims to achieve its objective of the advancement of education to British students from deprived backgrounds by providing grants and financial assistance.

### 7 Grants payable

	Advanceme nt of education 2024 £	Advanceme nt of education 2023 £
Grants to institutions:		
University of the Arts London	60,000	60,000

# THE HEGARTY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2024

### 8 Support costs allocated to activities

	2024 £	2023 £
Support costs	-	46
Governance costs	2,995	3,420
	<u>2,995</u>	<u>3,466</u>
<b>Analysed between:</b>		
Advancement of education	2,995	3,466
	<u>2,995</u>	<u>3,466</u>

### 9 Net movement in funds

	2024 £	2023 £
The net movement in funds is stated after charging/(crediting):		
	<u></u>	<u></u>

### 10 Trustees

None of the Trustees (who are the key management personnel of the Foundation) received any remuneration or incurred any expenses during the current or comparative year.

### 11 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Total	-	-
	<u></u>	<u></u>

There were no employees whose annual remuneration was more than £60,000.

### 12 Gains and losses on investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Gains/(losses) arising on:		
Revaluation of investments	37,671	(31,348)
Sale of investments	3,496	(6,693)
	<u>41,167</u>	<u>(38,041)</u>

### 13 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

# THE HEGARTY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 5 APRIL 2024**

### 14 Fixed asset investments

	Listed investments £	Cash in portfolio £	Total £
<b>Cost or valuation</b>			
At 6 April 2023	978,317	21,913	1,000,230
Additions	837,920	-	837,920
Valuation changes	41,167	-	41,167
Movement in cash	-	9,207	9,207
Disposals	(887,050)	-	(887,050)
At 5 April 2024	970,354	31,120	1,001,474
<b>Carrying amount</b>			
At 05 April 2024	970,354	31,120	1,001,474
At 05 April 2023	978,317	21,913	1,000,230
		<b>2024</b>	<b>2023</b>
		£	£
Investments at fair value comprise:			
Fixed income		20,019	(294,411)
UK equities		62,474	(180,680)
Overseas equities		887,861	447,887
Property		-	13,302
Cash		31,120	21,913
Commodities		-	42,037
		1,001,474	1,000,230

The historical cost of the listed investments is £888,517 (2023: £934,190).

### 15 Debtors

	<b>2024</b> £	<b>2023</b> £
<b>Amounts falling due within one year:</b>		
Prepayments and accrued income	4,815	939

### 16 Creditors: amounts falling due within one year

	<b>2024</b> £	<b>2023</b> £
Accruals and deferred income	5,545	3,450

# THE HEGARTY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 5 APRIL 2024

#### 17 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 6 April 2023 £	Incoming resources £	Resources expended £	Gains and losses £	At 5 April 2024 £
General funds	1,001,319	31,402	(68,263)	41,167	1,005,625
	=====	=====	=====	=====	=====
<b>Previous year:</b>	<b>At 6 April 2022 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Gains and losses £</b>	<b>At 5 April 2023 £</b>
General funds	1,086,900	22,277	(69,817)	(38,041)	1,001,319
	=====	=====	=====	=====	=====

#### 18 Related party transactions

There were no disclosable related party transactions during the year (2023 - none).