

THE PATRICK HERON TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022

THE PATRICK HERON TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ms K Heron Ms S Heron Mr J Wilkin
Charity number	1193267
Principal address	13 Coinagehall Street HELSTON Cornwall TR13 8ER
Independent examiner	Mark Williams FCA DChA RRL LLP Peat House Newham Road TRURO Cornwall TR1 2DP

THE PATRICK HERON TRUST

CONTENTS

	Page
Trustees report	1 - 2
Independent examiner's report	3
Statement of financial activities	4
Balance sheet	5
Notes to the financial statements	6 - 10

THE PATRICK HERON TRUST

TRUSTEES REPORT

FOR THE PERIOD ENDED 31 MARCH 2022

The Trustees present their annual report and financial statements for the period ended 31 March 2022, this being the first period of operation.

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

Objectives and activities

The Trust was set up to provide 'access to the work of abstract and figurative artist Patrick Heron 1920 – 1999' and 'promoting academic research, the useful results of which will be published for the public benefit.'

Achievements and performance

To further the core objectives the Trustees have focussed on three areas of work :

- The commissioning of a Catalogue Raisonné of the works by Patrick Heron, and to ensure its publication for public benefit. This is anticipated to be a five year project or more, as there are about 2000 works including oil paintings on canvas and works on paper. Patrick Heron also published writing and made a number of designs, and these will also be considered in future years. To this end two researchers have been appointed, and an agreement with a publisher is under discussion.
- The development of a core collection of works by the artist to be owned by the Trust. The larger part of this collection is expected to be bequeathed. However the Trust also expects to purchase work to ensure the collection provides a representative range of work by Patrick Heron and to this end has purchased one work. The Trust will ensure that it can provide the storage, care and insurance of any work it in ownership, and to be available for loan for public exhibitions.
- The loan of works to public exhibition that extend the visibility to a wider audience. In the year it was agreed to support the loan of works to an exhibition at the Museum Belvedere in the Netherlands called 'Living the Landscape' and open to the public from 28 May – 25 September 2022.
- The Trust has also supported the gift by the Heron family estate, of a number of silkscreen prints to the Tate Gallery by paying for their conservation. This completes the collection of Patrick Heron prints held by the Tate Gallery.
- The Trust supported the gift to the Whitechapel Gallery Archive, of an archival film of Patrick Heron exhibition in 1972 made by John Passmore.

Funding

The Trust is currently funded by personal donations on which it has claimed Gift Aid. Additional sources of funding will be considered in subsequent years. Funds are unrestricted at this stage.

Future work of the Trust

This report represents an early start. Future work will include :

- Seeking other sources of funding.
- Supporting the ongoing Catalogue Raisonné to the point of publication.
- Supporting proposals for museum exhibition in the UK and overseas.
- Developing the core collection and ensure its secure storage to museum standards, and where necessary undertaking conservation.

THE PATRICK HERON TRUST

TRUSTEES REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

Financial review

The results for the year are shown in the statement of financial activities on page 4 and show net incoming resources of £158,486.

It is the policy of the Charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the period.

Structure, governance and management

The charity is an unincorporated charitable trust and is governed by its Trust Deed dated 13 January 2021.

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

Ms K Heron

Ms S Heron

Mr J Wilkin

Additional Trustees are to be appointed in the forthcoming year, following a selection process and their agreement to serve.

The Pandemic and lock-down has delayed initial progress but not prevented it.

The Trustees report was approved by the Board of Trustees.

Katherine Heron

Ms K Heron

Trustee

8 December 2022

THE PATRICK HERON TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE PATRICK HERON TRUST

I report to the Trustees on my examination of the financial statements of The Patrick Heron Trust (the Charity) for the period ended 31 March 2022.

Responsibilities and basis of report

As the Trustees of the Charity 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 Charity'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

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 Charity 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.



Mark Williams FCA DChA

RRL LLP
Peat House
Newham Road
TRURO
Cornwall
TR1 2DP

Dated: 1.12.2022

THE PATRICK HERON TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £
<u>Income from:</u>		
Donations and legacies	3	181,000
<u>Expenditure on:</u>		
Charitable activities	4	22,514
Net income for the period/ Net movement in funds		158,486
 Fund balances at 1 January 2021		 -
Fund balances at 31 March 2022		158,486

The statement of financial activities includes all gains and losses recognised in the period.

All income and expenditure derive from continuing activities.

THE PATRICK HERON TRUST

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£
Fixed assets			
Tangible assets	8		82,828
Current assets			
Debtors	9	20,006	
Cash at bank and in hand		58,412	
		78,418	
Creditors: amounts falling due within one year	10	(2,760)	
Net current assets			75,658
Total assets less current liabilities			
			158,486
Income funds			
Unrestricted funds			158,486
			158,486

The financial statements were approved by the Trustees on 8 December 2022

Katherine Heron

Ms K Heron
Trustee

THE PATRICK HERON TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2022

1 Accounting policies

Charity information

The Patrick Heron Trust is an unincorporated charitable trust, governed by its Trust Deed dated 13 January 2021.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity'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 Charity is a Public Benefit Entity as defined by FRS 102.

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

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

The financial statements have been prepared under the historical cost convention. 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 Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Charity.

1.4 Income

Income is recognised when the Charity 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.

Cash donations are recognised on receipt. Other donations are recognised once the Charity 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.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE PATRICK HERON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Permanent collection of paintings	0%
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The Charity 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 Charity's balance sheet when the Charity 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.

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.

THE PATRICK HERON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on 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.

3 Donations and legacies

	Unrestricted funds
	2022 £
Donations and gifts	181,000
Donations and gifts	
Donations and legacies	146,000
HMRC Gift Aid	35,000
	181,000

THE PATRICK HERON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2022

4 Charitable activities

	Charitable Expenditure 2022 £
Consultancy	1,975
Insurance	2,061
Photography	1,636
Art Storage	3,940
Art Transport	362
Conservation	9,780
	<u>19,754</u>
Share of governance costs (see note 5)	2,760
	<u><u>22,514</u></u>

5 Support costs

	Support costs £	Governance costs £	2022 £
Accountancy	-	1,620	1,620
Independent examination fees	-	1,140	1,140
	<u>-</u>	<u>2,760</u>	<u>2,760</u>
Analysed between			
Charitable activities	-	2,760	2,760
	<u>-</u>	<u>2,760</u>	<u>2,760</u>

6 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the period.

7 Employees

There were no employees during the period.

THE PATRICK HERON TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2022

8 Tangible fixed assets

	Permanent collection of paintings £
Cost	
Additions	82,828
At 31 March 2022	82,828
Carrying amount	
At 31 March 2022	82,828

9 Debtors

	2022 £
Amounts falling due within one year:	
Other debtors	15,000
Prepayments and accrued income	5,006
	20,006

10 Creditors: amounts falling due within one year

	2022 £
Accruals and deferred income	2,760

11 Related party transactions

During the year, two of the trustees donated a total of £146,000 to the charity. There were no conditions attached to these donations.

None of the trustees incurred any expenses during the year.