

Registered Charity Number 1193267

THE PATRICK HERON TRUST

REPORT AND ACCOUNTS

For the year ending 31 March 2023

THE PATRICK HERON TRUST
TRUSTEES' REPORT
For the year ended 31 March 2023

The Trustees present their report and the unaudited financial statements of the charity for the year ended 31 March 2023, the second year of operation.

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.'

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity Name	The Patrick Heron Trust
Charity Registration Number	1193267
Registered Office	13 Coinagehall Street, Helston, Cornwall TR13 8ER

Trustees

The Trustees of The Patrick Heron Trust during the period and to the date of signing this report are as follows:

Ms Katharine Heron (Chair)
Ms Susanna Heron
Mr John Wilkin

Independent Examiner	Mr P O'Hara FCA, 4 Stoneyhurst Road West, Gosforth, Newcastle upon Tyne NE3 1PG
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STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

The Patrick Heron Trust is a charitable trust, registered as a charity on 13 January 2021.

Eligibility for membership of the charity, and membership of the Board of Trustees, is governed by the Trust deed. There are no restrictions in the governing document on the operation of the charity other than those imposed by general charity law.

Structure and Governance

The charity currently has a Board of three Trustees.

The Board meets a minimum of twice per year. The Board receives written reports and agendas which are circulated in advance of meetings.

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TRUSTEES' REPORT
For the year ended 31 March 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONT'D)

Recruitment and Appointment of Board of Trustees

Trustees are elected to the Board based on discussions and recommendations offered by Trustees and outside advisors to the charity.

Two additional Trustees have been invited and have agreed to serve, which will bring the total number to five.

The selection process primarily sought individuals who had an active interest in the work of Patrick Heron over many years, and with an engagement in making modern art accessible to a wider audience and for education and research purposes.

Trustee Induction and Training

New Trustees are inducted by the Chair of the Board and are provided with a range of resources to support their understanding of the Trust's activities. The balance of the Board is reviewed on an annual basis with reference to current skills on the board and the operational needs of the charity. Trustee training is delivered either through external advisors or other Trustees.

Reserves Policy

The Trustees have reviewed the charity's needs for reserves in line with the guidance issued by the Charity Commission, having reviewed the risks facing the organisation, seeking to maintain a level of reserves which enables the charity to operate effectively with financial stability and the means to fulfil its charitable purpose.

The Trustees aim to hold a level of Unrestricted Reserves which enables the charity to have sufficient working capital to continue to operate and also reflects the risks associated with an inability to attract further funding.

If alternative sources of funding were not forthcoming, then this amount would provide the means for the Trust to complete any outstanding work and close the charity in an orderly manner.

The Trustees anticipate the Unrestricted Reserves needed to fulfil these criteria as £75,000 as a minimum, and the target level of Unrestricted Reserves to be in the range of £75,000 to £100,000.

The charity's total Unrestricted Reserves at 31 March 2023 are £224,390.

Free Reserves, defined as non-designated Unrestricted Reserves minus the value of Unrestricted Tangible Fixed Assets, are £141,562.

Though this exceeds the optimum level, this is a result of the charity being at an early stage of its evolution and only now beginning to spend the reserves generated via original donations received.

The Trustees aim, through their budgeting processes, to reduce free Reserves to within the target range within 1-2 years.

The Board regularly reviews the level of reserves that are required to ensure that they are adequate to fulfil our continuing obligations and to allow the organisation to fulfil its charitable purpose.

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TRUSTEES' REPORT
For the year ended 31 March 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONT'D)

Grant Making Policy

The charity does not currently engage in grant-making activity.

The Contribution of Volunteers

The charity does not currently work with volunteers.

OBJECTIVES AND ACTIVITIES

Charitable Purpose

The Objects of the charity are to advance public education in and appreciation of the arts by providing access to the work of the abstract and figurative artist Patrick Heron (1920-1999) and promoting academic research, the useful results of which will be published for the public benefit.

Public Benefit

The Trustees understand and have discussed the implications of the provisions of the Charities Act 2006, which state that all charities must demonstrate that they are established for public benefit, and have had due regard to the public benefit guidance issued by the Charity Commission. The Trustees believe that the charity meets both of the key principles.

Principle 1 – There must be an identifiable benefit, or benefits

The Trust provides public benefit by advancing public education in and appreciation of the arts.

Principle 2 - Benefit must be to the public, or a section of the public

The Trust's work is available to all members of the public.

Risk Management

The Trustees of the charity regularly review the major governance, operational and financial risks which the charity faces as part of its annual business planning process and confirm that systems have been established to mitigate these risks.

The Trust has a risk management strategy in place which comprises:

- an annual review of the strategic risks the charity may face via the business plan
- the establishment of systems and procedures to mitigate those risks identified
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

The Trustees are satisfied that appropriate financial systems and controls and employment policies and practices are in place.

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TRUSTEES' REPORT
For the year ended 31 March 2023

OBJECTIVES AND ACTIVITIES (CONTINUED)

Risk Management (Cont.)

The Trustees consider the key risks facing the charity at this time and the mitigating actions taken to be as follows:

Failure to secure adequate funding income (from trusts and foundations, earned income, individual giving and the impact of any shortfall on liquidity of the charity):

- Fundraising strategy regularly reviewed by Trustees and amended where appropriate.
- Regular review of reserves policy along with financial forecasts, cash flow management and review of operational business plan.

Compliance with legislation and regulations appropriate to the activities, size and structure of the charity

- Balanced board with experienced Trustees, an annual board calendar with applicable requirements noted, responsibilities assigned and monitored.

The Trustees also manage the general financial risks arising by ensuring that:

- Prudent budgets have been set for the next financial year
- The charity maintains a prudent, low cost operating base
- Reserves policies have been adopted which provide an appropriate amount of uncommitted reserves which will enable the charity to meet its liabilities.

Funding

The Trust is currently funded by personal donations on which it has claimed Gift Aid. In addition, there are some small gifts that are not Gift Aided. Additional sources of funding will be considered in subsequent years including grant aid. Funds are unrestricted at this stage.

THE PATRICK HERON TRUST
TRUSTEES' REPORT
For the year ended 31 March 2023

ACHIEVEMENTS AND PERFORMANCE

Summary of main achievements of the charity during the year

Achievements and Performance

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

- The commissioning of a Catalogue Raisonne 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 2,000 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 were appointed and they have made good progress. An agreement with a publisher was under discussion at the end of March 2023, and an appointment made subsequently.
- 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 to date. The Trust will also accept gifts of works by Patrick Heron either into the collection, or will negotiate a suitable onward gift to a museum or other public collection. The Trust will ensure that it can provide the storage, care and insurance of any work in ownership, and make the work available for loan for public exhibitions.
- The loan of works to public exhibition that extend the visibility to a wider audience. In the previous 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, and the Trust is actively seeking equivalent exhibitions in the next five years.
- Developing a wider interest in the work of Patrick Heron has included talks about his work and the context in which it was made. This is informal dissemination by enabling groups of artists and art students to visit the garden at Eagles Nest which was Patrick's home, and these groups have included Newlyn Art School and the International Friends of the Rijksmuseum in Amsterdam. These are informal arrangements at this stage to further the public network of interest in Patrick Heron.
- The Trust is actively supporting the publication of an essay by the late Mel Gooding written on the occasion of Patrick Heron's centenary entitled 'The Artist as Philosopher'.

Financial Review

The out-turn for the year is an unrestricted surplus of £65,904 (2022: Surplus £158,486). The surplus will be added to Unrestricted Reserves, leaving a balance on Unrestricted Funds at 31 March 2023 of £224,390.

THE PATRICK HERON TRUST

TRUSTEES' REPORT

For the year ended 31 March 2023

FUTURE PLANS

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

- Seeking other sources of funding.
- Supporting the ongoing Catalogue Raisonne 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

RESPONSIBILITIES OF THE TRUSTEES

The Trustees are responsible for managing the business of the charity and may exercise all the powers of the charity unless restricted by the Charities Act or the constitution of the charity.

The Trustees are responsible for the preparation of financial statements for each financial year which show a true and fair view of the state of affairs of the charity as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year.

In preparation of the financial statements the Trustees should follow best practice and:

1. Select suitable accounting policies and apply them.
2. Make judgements and estimates that are reasonable and prudent.
3. Prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charity will continue on that basis.

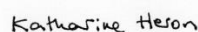
The Trustees are responsible for maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charity.

The Trustees are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

DECLARATIONS

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005 by the Charities Commission England and Wales).

This report was approved by the Board of Trustees on 13 September 2023 and signed on its behalf by:



Ms Katharine Heron
Chair/Trustee

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS ON THE UNAUDITED ACCOUNTS OF THE PATRICK HERON TRUST FOR THE YEAR ENDED 31 MARCH 2023

I hereby report to the Trustees of The Patrick Heron Trust (Charity Registration Number 1193267) on my examination of the accounts for the year ended 31 March 2023 set out on pages 9 to 15.

Responsibilities and basis of report

As the charity's Trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the accounts. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the accounts present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

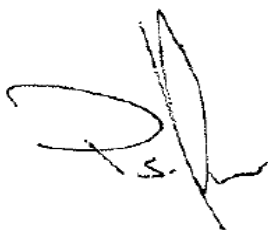
Having satisfied myself that the accounts of the charity are not required to be audited under charity law and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent Examiner's Statement

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

1. accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 130 of the 2011 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods or principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)).

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



Pete O'Hara, FCA, Chartered Accountant
Fellow of the Institute of Chartered Accountants in England & Wales
4 Stoneyhurst Road West, Gosforth, Newcastle upon Tyne NE3 1PG

13 September 2023

THE PATRICK HERON TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2023

	Note	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Income					
Income from Investments		-	-	-	-
Income from Grants, Donations & Legacies	2	125,346	-	125,346	181,000
Income from Charitable Activities		-	-	-	-
Total Income		125,346	-	125,346	181,000
Expenditure					
Cost of Raising Funds		-	-	-	-
Expenditure on Charitable Activities	3	59,442	-	59,442	22,514
Total Expenditure		59,442	-	59,442	22,514
Net Income/(Expenditure)		65,904	-	65,904	158,486
Balance brought forward at 1 April		158,486	-	158,486	-
Balance carried forward at 31 March		£224,390	£-	£224,390	£158,486

The notes on pages 11 to 15 form part of the financial statements.

All of the activities of the charity are classed as continuing.

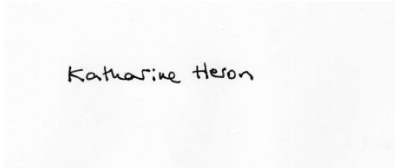
The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

THE PATRICK HERON TRUST
STATEMENT OF FINANCIAL POSITION/BALANCE SHEET
AS AT 31 MARCH 2023

	Notes	2023 £	2022 £
Fixed Assets			
Tangible Fixed Assets	6	82,828	82,828
Current Assets			
Debtors	7	5,006	20,006
Cash At Bank & In Hand		145,184	58,412
		<u>150,190</u>	<u>78,418</u>
Creditors – Amounts Falling Due Within 1 Year	8	(8,628)	(2,760)
Net Current Assets/(Liabilities)		<u>141,562</u>	<u>75,658</u>
Total Net Assets	9	<u>£224,390</u>	<u>£158,486</u>
Represented by:			
Unrestricted Reserves	10	224,390	158,486
Restricted Reserves	10	-	-
		<u>£224,390</u>	<u>£158,486</u>

The notes on pages 11 to 15 form part of the financial statements.

These financial statements were approved and signed by a Member of the Board of Trustees on 13 September 2023.



Katharine Heron

Ms Katharine Heron
Chair/Trustee

THE PATRICK HERON TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting Policies

Charity Information

The Patrick Heron Trust is a charitable Trust. The registered office is 13 Coinagehall Street, Helston, Cornwall TR13 8ER. The charity is a public benefit entity.

Basis of Accounting

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Statement of Recommended Practice (Charities SORP FRS 102) "Accounting and Reporting by Charities" and the Charities Act 2011.

The financial statements have been prepared on the historical cost basis.

Advantage has been taken of the provisions in the SORP for Charities applying FRS 102 Update Bulletin 1 not to prepare a statement of cashflows.

The financial statements are prepared in sterling, the functional currency of the charity.

Taxation Status

The Patrick Heron Trust is a Charity registered under the 1960 Charities Act and is accorded exemption from liability to taxation on its income under S505 Income and Corporation Taxes Act 1988.

Going Concern

There are no material uncertainties about the charity's ability to continue.

Income

All income is included in the statement of financial activities when the charity is entitled to the income, any performance related conditions attached have been met or are fully within the control of the charity, the income is considered probable and the amount can be quantified with reasonable accuracy.

The following specific policies are applied to particular categories of income:

- Donations and legacy income is received by way of donations, legacies, grants and gifts and is included in full in the Statement of Financial Activities when receivable.
- Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Investment income is included when receivable.
- Income from charitable trading activity is accounted for when earned.
- Other income is accounted for when receivable.

THE PATRICK HERON TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting Policies (Continued)

Tangible Fixed Assets and Depreciation

Depreciation is provided on any fixed assets at rates calculated to write off the assets over their remaining useful lives as follows:

Permanent Collection of artwork - not depreciated

The Collection is held at historic cost which the Trustees believe gives a clear and accurate reflection of the resources used to acquire the assets. The work is expected to at least hold its acquisition value and, as such, as a heritage asset, it is not deemed to be appropriate to depreciate its value annually.

The Collection is not subject to annual revaluations as the Trustees believe that any revaluation gains made by the Collection would distort the true financial position, since our policy means that these gains cannot be crystallised.

The Collection is not held for its market value, nor sold on the market. The nature of the Collection and how it is intended to be used means that, in the view of the Trustees, market valuations are not meaningful for users of the accounts.

Impairment of Fixed Assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Financial Instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost where there is a material adjustment.

Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the purposes of the charity.

Designated funds are unrestricted funds earmarked by the trustees for specific purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

THE PATRICK HERON TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting Policies (Continued)

Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no significant judgements or estimation uncertainty included within the financial statements.

2. Income from Grants, Donations & Legacies

	Unrestricted Funds £	Restricted Funds £	2023 £	2022 £
Donations	100,250	-	100,250	146,000
Gift Aid	25,096	-	25,096	35,000
	£125,346	-	£125,346	£181,000

The 2022 total of £181,000 was wholly attributable to Unrestricted Funds.

3. Expenditure on Charitable Activities

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Direct Activity Costs				
Artwork Storage	2,108	-	2,108	3,940
Artwork Transport	5,182	-	5,182	362
Conservation Costs	1,610	-	1,610	9,780
Consultancy Fees	38,749	-	38,749	1,975
Photography	971	-	971	1,636
	48,620	-	48,620	17,693
Support Costs				
ICT Costs	1,455	-	1,455	-
Insurance	7,067	-	7,067	2,061
Recruitment Costs	260	-	260	-
	8,782	-	8,782	2,061
Governance Costs				
Independent Examination	1,320	-	1,320	1,140
Other Accountancy Costs	720	-	720	1,620
	2,040	-	2,040	2,760
	£59,442	-	£59,442	£22,514

The 2022 total of £22,514 was wholly attributable to Unrestricted Funds.

THE PATRICK HERON TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023

4. Net Income/(Expenditure)

	2023	2022
	£	£
Net income/(expenditure) is stated after charging/(crediting):		
Independent Examiner's Fees – current year	1,320	1,140
Independent Examiner – Other Services	720	1,620

5. Staff Costs & Trustees' Remuneration

No staff were employed in the year (2022: None).

No remuneration has been paid to any Trustees/Directors in the year (2022: £Nil).

No reimbursement has been made of any Travel and Subsistence expenses to Trustees in respect of their work or attendance at meetings of the charity (2022: £Nil).

6. Tangible Fixed Assets

	Permanent Artwork Collection £	Total Fixed Assets £
Cost		
At 1 April 2022	82,828	82,828
Additions	-	-
At 31 March 2023	82,828	82,828
Depreciation		
At 1 April 2022	-	-
Charge for year	-	-
At 31 March 2023	-	-
Net Book Value		
At 31 March 2023	£82,828	£82,828
At 1 April 2022	£82,828	£82,828

7. Debtors

	2023	2022
	£	£
Trade Debtors	-	-
Accrued Income	-	15,000
Prepayments	5,006	5,006
	£5,006	£20,006

THE PATRICK HERON TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023

8. Creditors – Amounts Falling Due Within 1 Year

	2023	2022
	£	£
Trade Creditors	-	-
Accruals	8,628	2,760
	£8,628	£2,760

9. Analysis of Net Assets between Funds

	Unrestricted Funds	Restricted Funds	Total 2023	Total 2022
	£	£	£	£
Fixed Assets	82,828	-	82,828	82,828
Debtors	5,006	-	5,006	20,006
Cash at Bank and In Hand	145,184	-	145,184	58,412
Creditors – Amounts Due Within 1 Year	(8,628)	-	(8,628)	(2,760)
	£224,390	-	£224,390	£158,486

10. Analysis of Charitable Funds

	At 1 April 2022	Income in Year	Expend. in Year	At 31 March 2023
	£	£	£	£
Unrestricted Funds				
Charity General Fund	158,486	125,346	(59,442)	224,390
	£158,486	£125,346	£(59,442)	£224,390

11. Related Party Transactions

In the period to 31 March 2022, two of the Trustees donated a total of £146,000 to the charity. There were no conditions attached to these donations.

There were no other transactions in the year with related parties, such as are required to be disclosed under the Financial Reporting Standard for Smaller Entities (Effective April 2008) (2022: Nil).

12. Taxation

The Trust is a registered charity and no provision is considered necessary for taxation.

13. Financial Commitments

No material financial commitments have been made in respect of future financial periods.