

Registered Charity Number 1193267

THE PATRICK HERON TRUST

REPORT AND ACCOUNTS

For the year ending 31 March 2024

THE PATRICK HERON TRUST

TRUSTEES' REPORT

For the year ended 31 March 2024

The Trustees present their report and the unaudited financial statements of the charity for the year ended 31 March 2024, 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)	
Michael Bird	Appointed 13 September 2023
Caroline Collier	Appointed 13 September 2023
Ms Susanna Heron	
Mr John Wilkin	

Independent Examiner	Mr P O'Hara FCA, Chartered Accountant, 26 La Sagesse, Jesmond, Newcastle upon Tyne NE2 3AF
-----------------------------	--

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 five Trustees.

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

THE PATRICK HERON TRUST

TRUSTEES' REPORT

For the year ended 31 March 2024

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 Michael Bird and Caroline Collier have been appointed and welcomed to the Board which will bring the total number to five, and with an increased range of experience. The Board will continue to seek additional Trustees.

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 2024 are £194,220.

Free Reserves, defined as non-designated Unrestricted Reserves minus the value of Unrestricted Tangible Fixed Assets, are £111,392.

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.

THE PATRICK HERON TRUST
TRUSTEES' REPORT
For the year ended 31 March 2024

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.

THE PATRICK HERON TRUST
TRUSTEES' REPORT
For the year ended 31 March 2024

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.

THE PATRICK HERON TRUST
TRUSTEES' REPORT
For the year ended 31 March 2024

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 has been made for the Catalogue of all oil paintings by Patrick Heron.
- 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 was very pleased to accept the gift of five works from the Estate of Dr Bridget Davies, and that the Pallant House Museum was able to accept these as a donation from the Patrick Heron Trust. Trustees have provided material for a sale at Bonhams from the estate of Sabih Aykoler and Fello Atkinson.
- 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. During the year arrangements have been made for works to be included in exhibitions Charleston and at the Pallant House Museum schedules for the year 2024/2025.
- The Trust will continue to actively seek 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, continue to be an annual event with the Newlyn Art School and others. These are informal arrangements at this stage to further the public network of interest in Patrick Heron.

Financial Review

The out-turn for the year is an unrestricted deficit of £(30,170) (2023: Surplus £65,904). The deficit will be deducted from Unrestricted Reserves, leaving a balance on Unrestricted Funds at 31 March 2024 of £194,220.

THE PATRICK HERON TRUST

TRUSTEES' REPORT

For the year ended 31 March 2024

FUTURE PLANS

The charity's activities remain at an early stage of development. 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.
- The development of a strategic plan for the Trust and to monitor it.
- 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.

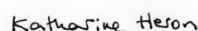
The Trustees are responsible for maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charity.

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 16 September 2024 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 2024

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 2024 set out on pages 9 to 16.

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.

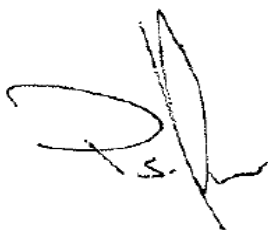
Having satisfied myself that the accounts of the charity are not required to be audited under charity law and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying 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
26 La Sagesse, Newcastle upon Tyne NE2 3AF

16 September 2024

THE PATRICK HERON TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2024

	Note	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
Income					
Income from Investments		-	-	-	-
Income from Grants, Donations & Legacies	2	50,000	200,000	250,000	125,346
Income from Charitable Activities		-	-	-	-
Total Income		50,000	200,000	250,000	125,346
Expenditure					
Cost of Raising Funds		-	-	-	-
Expenditure on Charitable Activities	3	80,170	-	80,170	59,442
Total Expenditure		80,170	-	80,170	59,442
Net Income/(Expenditure)		(30,170)	200,000	169,830	65,904
Balance brought forward at 1 April		224,390	-	224,390	158,486
Balance carried forward at 31 March		£194,220	£200,000	£394,220	£224,390

The notes on pages 11 to 16 form part of the financial statements.

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

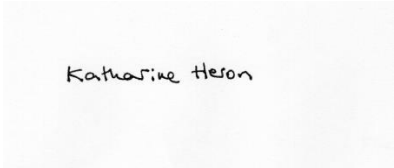
The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

THE PATRICK HERON TRUST
STATEMENT OF FINANCIAL POSITION/BALANCE SHEET
AS AT 31 MARCH 2024

	Notes	2024 £	2023 £
Fixed Assets			
Tangible Fixed Assets	6	82,828	82,828
Current Assets			
Debtors	7	56,682	5,006
Cash At Bank & In Hand		264,600	145,184
		<u>321,282</u>	<u>150,190</u>
Creditors – Amounts Falling Due Within 1 Year	8	(9,890)	(8,628)
Net Current Assets/(Liabilities)		<u>311,392</u>	<u>141,562</u>
Total Net Assets	9	<u>£394,220</u>	<u>£224,390</u>
Represented by:			
Unrestricted Reserves	10	194,220	224,390
Restricted Reserves	10	200,000	-
		<u>£394,220</u>	<u>£224,390</u>

The notes on pages 11 to 16 form part of the financial statements.

These financial statements were approved and signed by a Member of the Board of Trustees on 16 September 2024.



Katharine Heron

Ms Katharine Heron
Chair/Trustee

THE PATRICK HERON TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2024

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 2024

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 2024

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 £	2024 £	2023 £
Donations	-	200,000	200,000	100,250
Gift Aid	50,000	-	50,000	25,096
	£250,000	£200,000	£250,000	£125,346

The 2023 total of £125,346 was wholly attributable to Unrestricted Funds.

3. Expenditure on Charitable Activities

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
Direct Activity Costs				
Artwork Storage	6,406	-	6,406	2,108
Artwork Transport	143	-	143	5,182
Conservation Costs	-	-	-	1,610
Consultancy Fees	63,147	-	63,147	38,749
Photography	-	-	-	971
	69,696	-	69,696	48,620
Support Costs				
ICT Costs	1,997	-	1,997	1,715
Insurance	7,067	-	7,067	7,067
	9,064	-	9,064	8,782
Governance Costs				
Independent Examination	1,320	-	1,320	1,320
Other Accountancy Costs	-	-	-	720
Trustee Meeting Expenses	90	-	90	-
	1,410	-	1,410	2,040
	£80,170	-	£80,170	£59,442

The 2023 total of £59,442 was wholly attributable to Unrestricted Funds.

THE PATRICK HERON TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2024

4. Net Income/(Expenditure)

	2024	2023
	£	£
Net income/(expenditure) is stated after charging/(crediting):		
Independent Examiner's Fees – current year	1,320	1,320
Independent Examiner – Other Services	-	720

5. Staff Costs & Trustees' Remuneration

No staff were employed in the year (2023: None).

No remuneration has been paid to any Trustees/Directors in the year (2023: £Nil).

Reimbursement of £90 of Travel and Subsistence expenses was made to 1 Trustee in respect of their work or attendance at meetings of the charity (2023: £Nil).

6. Tangible Fixed Assets

	Permanent Artwork Collection £	Total Fixed Assets £
Cost		
At 1 April 2023	82,828	82,828
Additions	-	-
At 31 March 2024	82,828	82,828
Depreciation		
At 1 April 2023	-	-
Charge for year	-	-
At 31 March 2024	-	-
Net Book Value		
At 31 March 2024	£82,828	£82,828
At 1 April 2023	£82,828	£82,828

7. Debtors

	2024	2023
	£	£
Trade Debtors	-	-
Accrued Income	50,000	-
Prepayments	6,682	5,006
	£56,682	£5,006

THE PATRICK HERON TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2024

8. Creditors – Amounts Falling Due Within 1 Year

	2024	2023
	£	£
Trade Creditors	-	-
Accruals	9,890	8,628
	£9,890	£8,628

9. Analysis of Net Assets between Funds

	Unrestricted Funds	Restricted Funds	Total 2024	Total 2023
	£	£	£	£
Fixed Assets	82,828	-	82,828	82,828
Debtors	56,682	-	56,682	5,006
Cash at Bank and In Hand	64,600	200,000	264,600	145,184
Creditors – Amounts Due Within 1 Year	(9,890)	-	(9,890)	(8,628)
	£194,220	£200,000	£394,220	£224,390

10. Analysis of Charitable Funds

	At 1 April 2023	Income in Year	Expend. in Year	At 31 March 2024
	£	£	£	£
Unrestricted Funds				
Charity General Fund	224,390	50,000	(80,170)	194,220
Restricted Funds				
Catalogue Raisonne Fund	-	200,000	-	200,000
Total Funds	£224,390	£250,000	£(80,170)	£394,220

Name of Restricted Fund

Description, Nature & Purpose of the Restricted Fund

Catalogue Raisonne Fund

Donations towards the commissioning and eventual publication of a Catalogue Raisonne of works by Patrick Heron

THE PATRICK HERON TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2024

11. Related Party Transactions

In the year to 31 March 2024, two of the Trustees donated a total of £200,000 (2023: £146,000) to the charity.

The 2023/24 donations were provided specifically towards the production of a Catalogue Raisonne. No conditions were attached to the 2022/23 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) (2023: 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.