HEDLEY FOUNDATION LIMITED

England & Wales · Charity number 262933

Details

Other names	THE HEDLEY FOUNDATION
Status	Registered
Legal form	Charitable company
Company number	01018571
Registered	1971-10-22
Register	View on the Charity Commission register

Contact

Address	The Hedley Foundation Victoria House 1-3 College Hill London EC4R 2RA
Phone	02074898076
Email	mkitto@hedleyfoundation.org.uk
Website	www.hedleyfoundation.org.uk

Activities

Objects: FOR ALL AND ANY PURPOSES WHICH ARE EXCLUSIVELY CHARITABLE ACCORDING TO THE LAW OF ENGLAND IN FORCE FROM TIME TO TIME AND THE DOING OF SUCH OTHER THINGS AS ARE INCIDENTAL TO THE ATTAINMENT OF THE ABOVE OBJECTS AND ARE ANCILLARY THERETO BUT WITHOUT PREJUDICE TO THE GENERALITY THEROF.

Activities: Charitable grant giving to UK registered charities.

Classification

- **How:** Makes Grants To Organisations
- **What:** General Charitable Purposes
- **Who:** Children/young People, People With Disabilities, Other Charities Or Voluntary Bodies

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Geography

- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£1,474,060	£1,475,676	£47,950,141	3
2024-03-31	£1,629,433	£1,358,330	£47,246,725	3
2023-03-31	£1,332,225	£1,270,780	£42,062,801	3
2022-03-31	£1,275,375	£1,144,511	£42,561,859	3
2021-03-31	£1,135,056	£656,449	£39,118,098	3

Trustees

Name	Role	Appointed
SIR ANDREW CHARLES FORD GCVO	Chair	2009-01-20
ALEXANDER SCULLY		2019-11-20
ANGUS EDWARD FANSHAWE		2007-05-23
CHARLES ALBURY BENNETT		2017-11-22
LORNA BARBARA MARGARITE STUTTAFORD		2002-06-26
PATRICK ROY HOLCROFT LVO OBE		1995-04-01

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HEDLEY FOUNDATION LIMITED

England & Wales - Charity number 262933

Accounts

HEDLEY FOUNDATION LIMITED

A Company Limited by Guarantee

Registered Charity Number: 262933

Registered Company Number: 01018571

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2025

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HEDLEY FOUNDATION LIMITED CHARITY INFORMATION

Trustees	A C Ford (Chairman) P R Holcroft L B Stuttaford A E Fanshawe D W Byam-Cook C A G Bennett A J Scully
Company Secretary	M C Kitto
Registered Office	1 College Hill London EC4R 2RA
Bankers	Royal Bank of Scotland London Service Centre 4th Floor Regents House 42 Islington High Street London N1 8XL
Independent Auditor	PKF Littlejohn LLP 15 Westferry Circus Canary Wharf London E14 4HD
Investment Managers 16 Babmaes Street London SW1Y 6AH	Waverton Investment Management Limited (W1M) Savills Investment Management (The Charities Property Fund) 33 Margaret Street London W1G 0JD
Solicitors	DMH Stallard LLP Griffin House 135 High Street Crawley RH10 1DQ
Company Registration Number	01018571
Charity Registration Number	262933

The Trustees, who are also the Directors of Hedley Foundation Limited (the Foundation), have pleasure in presenting their Report together with the Financial Statements for the year ended 31 March 2025. The Trustees have adopted the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" ("FRS 102 SORP") in preparing the Annual Report and Financial Statements of the Charity.

Trustees of the Charity

The Directors of the Charitable Company are its Trustees for the purposes of charity law. The Trustees who have served during the year and since the year end are listed on Page 1.

Objectives and Activities

The Foundation was established for exclusively charitable purposes. The Foundation manages its assets and its Subsidiary Companies, which together comprise the Group, and uses its income after costs to make grants to UK registered charities.

The Hedley Foundation aims to improve the quality of life of people in the UK, particularly those from disadvantaged backgrounds. It achieves this by making grants, within budget, to UK registered charities for the benefit of young people, disabled people, elderly people, the terminally ill and otherwise disadvantaged people and their carers. The essence of the Foundation's activities is Social Welfare and for convenience the following categories are used:

• **Youth**. Projects which raise the aspirations or help to realise the full potential of disadvantaged young people. Typically, grants are given to support young people into education, training or sustainable employment. Providing an opportunity to broaden horizons through sport and adventurous activities may form part of this category.

• **Disabled**. Projects to support and improve the quality of life of people of all ages with physical and mental disabilities, sensory impairment and learning difficulties.

• **Elderly/Terminally Ill**. Projects to help elderly people to maintain independence and projects to support those in the closing stage of life, in hospices or hospitals.

• **Miscellaneous Support**. Projects to support carers and social welfare projects that might support the homeless, the employability opportunities for offenders and ex-offenders and the opportunity to reduce re-offending.

Details of how to apply for a grant are available on the Foundation's website at www.hedleyfoundation.org.uk

The Trustees award grants to selected charities with incomes of less than £1M pa that have submitted applications for funding, that would benefit those people outlined in the categories above. The Foundation tends not to give money to large scale or national charities. Typically, sums of £2K - £5K are given with occasional larger sums granted to charities where high impact can be achieved. Most grants are one-off payments, but multi-year grants might be considered. Further applications from the same organisation would not normally be considered for a period of two years from the date of the grant. Charities that may have submitted an unsuccessful application for a grant may apply again after a two year period. Acknowledgements are expected from the recipient charities within a twelve month period and occasional follow-up visits may be made by Trustees.

Applications for grants are submitted to the Foundation, stating the sum they seek and articulating how they would wish to use any grant made. These are all considered with particular account being taken of how any grant would be spent, how many people would benefit, how much the applicant charity has already raised and of their latest audited accounts. All applications are considered initially by the Chairman and Appeals Clerk and those most closely aligned with the Foundation's objectives are taken to a Trustees' Sift Board, which discusses each application in detail. Thereafter, recommendations for payments are made to the Main Board of Trustees, which convenes a little later.

The Group's total income during FY2024/2025 was £1,474,060 (FY2023/2024 - £1,629,433). Income is derived from an investment portfolio, the Charities Property Fund (CPF) and directly held retail properties. During the period the investment portfolio was valued at £30,106,387 (FY2023/2024 - £30,218,255). The Trustees decided to invest a further £500,000 in CPF, which focuses on commercial properties, taking the total investment to £6,632,984 (FY2023/2024 - £6,003,223), to provide an estimated income of £300,000 pa. Regarding the directly held retail properties, in general terms, trading conditions continued to be difficult for retailers, which affected landlords as evidenced by sliding rents, shorter leases, more break-points and longer rent-free periods following new leases. Whilst these headwinds served to reduce the valuations of the Foundation's properties to £8,425,000 (FY2023/2024 - £9,335,000), the Group is fortunate to have shops in good market towns with well-known tenants and was able to maintain 93% occupancy during the year, giving a gross yield of 7%. The Trustees disposed of a shop in Salisbury, which despite best efforts to secure a lease, had been without a tenant for approximately two years; the sale realised a gain of £166,725. Against this backdrop, grants totalling £913,213 were distributed during FY2024/25 to 384 charities (FY2023/24 - £798,730 to 326 charities).

The Hedley Foundation maintains a small office of part time staff who are capable of managing and reporting all aspects of its activities. The Hedley Foundation's income and thus its ability to support other charities is derived from a professionally managed investment portfolio with Waverton Investment Management (W1M), an investment with the Charities Property Fund and from rents generated from a number of retail shops, which are let and managed with the aid of professional advisers.

Public Benefit

The objectives and activities as listed above are undertaken to further the Foundation's purpose for public benefit. The Trustees confirm that they have had regard to the guidance on public benefit issued by the Charity Commission when considering the objectives and activities of the Foundation.

Structure, Governance and Management

The Foundation was incorporated on 23 July 1971 as a company limited by guarantee and is a registered charity. It is governed by its Memorandum and Articles of Association. The Foundation has no share capital but each member undertakes, in the event of winding up, to contribute up to £1 towards the cost of winding up. At 31 March 2025, there were 7 members of the Foundation, who are also the Trustees and the Directors of the Charitable Company. New Trustees are appointed by the existing Trustees.

The management of the quoted investment portfolio is delegated to Waverton Investment Management (W1M), who are regulated by the FCA. The holding in CPF is managed by Savills Investment Management, which is also regulated by the FCA. The retail property portfolio is directly held by the Foundation and its Subsidiary Companies, which takes professional advice from Clive Thomas and Company and Robin Hanson FRICS.

The Trustees met formally on four occasions during the year to review the performance of the Foundation's investments and its financial state, to authorise the distribution of grants and to conduct Board Meetings of the Subsidiary Companies of which they are Directors. Quarterly management accounts, formal briefings by investment managers and advisors and governance matters are routinely considered and documented.

Recommendations for pay and remuneration are made to a sub-committee of the Trustees and Directors of the Subsidiary Companies. The sub-committee, having considered various benchmarks, makes recommendations to the full Board of the Foundation. Remuneration of staff was reviewed in December 2024.

Review of the Business and Future Developments

The results for the year are set out on Page 10 of the Financial Statements. The net movement in funds for the year amounted to a movement of £703,416 compared to a movement of £5,183,924 the prior year.

The following Companies are wholly owned subsidiaries of the Foundation:

Company	Principal Activity
Fairhood Properties Limited	Management of investment properties
Merewood Properties Limited	Management of investment properties

Mountbarrow Properties Limited	Management of investment properties
Middlerigg Nominees Limited	Nominee company
Middlerigg Services Limited	Management services company

The Management Company and the Property Companies transfer 100% of their taxable profits to the Foundation under the Gift Aid and Deed of Covenant arrangements.

The results of the above Companies have been consolidated in the Statement of Financial Activities and Balance Sheet of the Foundation in accordance with the Charities' Statement of Recommended Practice (SORP), Accounting and Reporting by Charities as updated in October 2019. The Trustees consider the results of the investment property companies and management services company to be satisfactory.

Financial instruments

The Foundation does not receive any public or government funding and relies entirely upon its invested assets to provide funding for the making of grants. In order to minimise the investment risk, the Trustees have diversified the range of investments to include UK and global equities, government stocks, retail property and units within the Charities Property Fund.

There has been no outsourced fundraising via professional fundraisers or other third parties. As a result, the charity is not registered with the fundraising regulator and received no fundraising complaints in the year.

Reserves Policy

The Foundation has total funds of £47,950,141 at 31 March 2025 all of which are unrestricted (2024 - £47,246,725). Of these total funds, £47,151,103 could be realised by disposing of fixed assets (£5,925,000 retail properties, £30,106,387 listed investments, £6,632,984 CPF and £4,486,732 investment in subsidiaries).

On 31 March 2025 unrestricted free reserves, at the consolidated level, amounted to £2,785,770 (2024 - £1,690,247). The Trustees consider the appropriate target level of consolidated free reserves to be twelve months operating expenditure. The level of consolidated free reserves was in line with this target, representing 23 months of operating and grant-making expenditure.

Investment Policy

The policy of the Foundation is to combine security with higher than average income through investments, partly in wholly owned let retail properties, partly in units within the Charities Property Fund and partly in a managed portfolio of investments.

In respect of the retail properties, the annual yield was 7% (2024 - 7%).

In respect of the Charities Property Fund, the annual yield was 4.7% (2024 - 4.5%).

In respect of the managed globally invested portfolio, the annual yield was 1.7% (2024 - 1.8%).

Income from the managed investments is used to make grants and to meet core costs as directed by the Trustees.

Risk Management

The Trustees consider that low growth, inflation and international political tensions to be the main threats to global economic stability. By extension, these factors pose the main threat to the value of the investment portfolio, to the retail property portfolio and to the value of the units within the Charities Property Fund.

The Trustees review the Risk Register periodically (and at least annually) and routinely consider strategic, operational and business risks that may face the Foundation; mitigating actions, if any, are implemented.

It is noteworthy that the annual cost base for the Foundation is relatively low, with more than twenty month's running costs being immediately available.

Third Party Indemnity Provisions

The Foundation has purchased professional indemnity insurance on behalf of the Trustees. The premium paid for the insurance was £2,038 (2024 - £1,606).

Trustees' Responsibilities

The Statement of Trustees' Responsibilities can be found on Page 6.

Audit Information

The Trustees who held office at the date of approval of this Trustees' Report confirm that, so far as they are individually aware, there is no relevant audit information of which the Charity's auditor is unaware; each Trustee has taken all reasonable steps that he/she ought to have taken as a Trustee to make himself/herself aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

Our independent auditor, PKF Littlejohn LLP, has signified its willingness to continue in office.

By Order of the Board

Mary Kitto

M C Kitto
Company Secretary

22 October 2025

The Trustees (who are also Directors of the Foundation for the purpose of company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting standards (UK Generally Accepted Accounting Practice).

Company and Charity law requires the Trustees to prepare Financial Statements for each financial year. Under that law the Trustees have prepared the Financial Statements in accordance with the Charities' Statement of Recommended Practice, Accounting and Reporting by Charities and United Kingdom Financial Reporting and Accounting Standards. Under company and charity law the Trustees must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of the surplus or deficit of the Charitable Company for that period. In preparing these Financial Statements, the Trustees are required to:

- select suitable accounting policies and to apply them consistently;
- observe the methods and principles of the Charities' SORP, Accounting and Reporting by Charities;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including SORP FRS 102 have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to assume that the Charitable Company will be able to continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions, to disclose with reasonable accuracy at any time the financial position of the Charitable Company and to ensure that the financial statements comply with the Companies Act 2006 and Charities Act 2011. They are also responsible for safeguarding the assets of the Charitable Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF HEDLEY FOUNDATION LIMITED

Opinion

We have audited the financial statements of Hedley Foundation Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities (Including Income and Expenditure Account), the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2025, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the group and parent charitable company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent charitable company financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts and relevant regulations made or having effect thereunder.

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

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

- We obtained an understanding of the group and parent charitable company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, sector research and application of cumulative audit knowledge and experience.

- We determined the principal laws and regulations relevant to the group and parent charitable company in this regard to be those arising from the Charities Act 2011, Companies Act 2006, Financial Reporting Standard 102, and relevant employee legislation.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent charitable company with those laws and regulations. These procedures included, but were not limited to enquiries of management, review of minutes and review of legal and regulatory correspondence.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that there was the potential for management bias in the valuation of investment properties. We addressed this through review of the valuation reports prepared by management's expert, testing the accuracy and completeness of inputs to their calculation, and challenging any assumptions applied in the valuations for example by agreement to third party metrics.
- We also identified potential for management bias in the judgements made around recoverability of debtors. We addressed this through examination of post year end cash received, review of correspondence with debtors and discussion of recoverability with management.
- We also identified potential for management bias in the allocation of support costs against charitable activity categories. We addressed this through reviewing the method used for reasonableness, and re-performing the calculation to ensure it had been performed accurately in line with the stated method.
- We also identified potential for management bias in the timing of recognition of rental income. We addressed this through detailed review of signed rental agreements, forming and expectation of the level of income to be recognised in the financial year, and comparison to actual.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Alastair Duke (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

Date: 24 November 2025

HEDLEY FOUNDATION LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)
Year ended 31 March 2025

	Note	Unrestricted Funds 2025 £	Unrestricted Funds 2024 £
Income from:			
Income from investment properties	1	445,932	462,171
Income from Investment portfolios	2	818,676	960,412
Other trading activities - subsidiary companies	24	209,452	206,850
Total Income		1,474,060	1,629,433
Expenditure on:			
Raising funds	3	376,966	362,248
Charitable activities	4	978,295	867,802
Other - on charitable trading	24	120,415	128,280
Total Expenditure		1,475,676	1,358,330
Net income		(1,616)	271,103
Net realised and unrealised gains on investment assets	13b	943,546	5,243,827
Net realised and unrealised gains on other investment assets		129,761	(356,006)
Unrealised gains on revaluation of investment properties		(535,000)	25,000
Realised gain on sale of investment property		166,725	-
Net Movement in Funds		703,416	5,183,924
Fund balances brought forward		47,246,725	42,062,801
Fund balances carried forward		47,950,141	47,246,725

All of the above results are derived from continuing activities. The Company and its subsidiaries have no gains and losses other than those shown above.

In accordance with the provisions of the Companies Act 2006, a separate Income and Expenditure Account dealing with the results of the Foundation only has not been presented.

The Accounting Policies and Notes on pages 13 to 29 form part of these Financial Statements.

HEDLEY FOUNDATION LIMITED
Company Registration Number 01018571

CONSOLIDATED AND COMPANY BALANCE SHEETS
At 31 March 2025

	Note	Consolidated 2025 £	Consolidated 2024 £	Company 2025 £	Company 2024 £
Fixed Assets					
Investment properties	12	8,425,000	9,335,000	5,925,000	6,710,000
Listed Investments	13	30,106,387	30,218,255	30,106,387	30,218,255
Investments in subsidiaries	13	-	-	4,486,732	4,666,195
Other Investments	13	6,632,984	6,003,223	6,632,984	6,003,223
		45,164,371	45,556,478	47,151,103	47,597,673
Current Assets					
Debtors	14	265,498	264,672	474,323	462,163
Cash at bank and in hand	15	2,869,176	1,745,923	2,850,746	1,730,847
		3,134,674	2,010,595	3,325,069	2,193,010
Creditors: amounts falling due within one year	16	(348,904)	(320,348)	(2,526,031)	(2,543,958)
Net Current Assets/ (Liabilities)		2,785,770	1,690,247	799,038	(350,948)
Net Assets		47,950,141	47,246,725	47,950,141	47,246,725
General Funds					
Charitable funds		43,463,409	42,580,530	43,463,409	42,580,530
Non-charitable investment/trading company funds		4,486,732	4,666,195	4,486,732	4,666,195
Total Funds	18	47,950,141	47,246,725	47,950,141	47,246,725

These Financial Statements were approved and authorised for issue by the Board of Trustees on 22 October 2025.

Signed on behalf of the Board of Trustees

A C Ford
Chairman

P R Holcroft
Trustee

The Accounting Policies and Notes on pages 13 to 29 form part of these Financial Statements.

HEDLEY FOUNDATION LIMITED

CONSOLIDATED CASHFLOW STATEMENT
Year ended 31 March 2025

	Note	2025 £	2025 £	2024 £	2024 £
Cash inflow from operating activities	20		26,114		270,937
Net cash flow from operating activities			26,114		270,937
Cash flow from investing activities					
Receipts from sales of investment property		560,000		-	
Payments from sale of property		(18,275)		-	
Payments to acquire investments		(3,917,814)		(5,128,863)	
Receipts from sales of investments		4,473,228		5,437,829	
Net cash flow used by investing Activities			1,097,139		308,966
Change in cash and cash equivalents In the year			1,123,253		579,903
Cash and cash equivalents at 1 April 2024			1,745,923		1,166,020
Cash and cash equivalents at 31 March 2025			2,869,176		1,745,923
Cash and cash equivalents consist of:					
Current accounts			28,509		25,099
Deposit accounts			1,338,233		1,214,656
Cash at Investment Managers			1,502,434		506,168
Cash and cash equivalents at 31 March 2025			2,869,176		1,745,923

The Accounting Policies and Notes on pages 13 to 29 form part of these Financial Statements.

General information and basis of preparation

The Hedley Foundation is a Charitable Company limited by Guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are charitable grant giving to UK registered charities.

The Charity constitutes a public benefit entity as defined by FRS 102. The Financial Statements have been prepared in accordance with 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) from 1 January 2019 the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019 The Financial Statements have been prepared under the historical cost convention, with the exception of investments, which are included on a market value basis and investment properties, which are included on the basis of annual valuations.

The Financial Statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The Financial Statements are prepared in sterling which is the functional currency of the Charity.

The significant accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going Concern

It is the opinion of the Trustees that the use of the going concern basis of accounting is appropriate. At the time of writing this Report, the Trustees are confident that there is reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future, at least 23 months from the date of approval of these financial statements. The Trustees of The Hedley Foundation are content that the Group remains a going concern.

Basis of Consolidation

The Group Financial Statements consolidate the Financial Statements of The Hedley Foundation Limited and its subsidiary undertakings.

Fund Accounting

General funds, all of which are unrestricted, are available for use at the discretion of the Trustees in furtherance of the general objectives of the Foundation.

Income Recognition

All income and expenditure is shown in the Statement of Financial Activities (SOFA).

Charitable Activities

The Foundation has a portfolio of investment properties generating rental income which is accounted for on a receivable basis.

Investment Income

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Interest income is recognised when receivable and dividend and rent income is recognised as the Foundation's right to receive payment is established.

Other Trading Activities - Subsidiary Companies

Income from trading activities includes income earned from trading activities undertaken by subsidiary companies to raise funds for the Charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred. The gross income of the subsidiaries is shown in the consolidated SOFA.

Expenditure

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes the direct costs of managing the listed investment portfolio;
- Expenditure on charitable activities includes direct expenditure on grant-making activities and support costs which are allocated on a basis consistent with the use of resources; and
- Non-charitable trading and investment property expenses includes the costs of the subsidiary companies which are incurred in relation to these activities.

Grants payable to third parties are included in expenditure on charitable activities. Where unconditional grants are made, these amounts are recognised when a constructive obligation is created, typically when the recipient is notified that a grant will be made to them. Where grants are conditional on performance, then the grant is only recognised once any unfulfilled conditions are outside of the control of the charity.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs and governance costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises costs have been allocated on a business to charity staff time allocation basis. This had been reviewed in September 2016 and subsequently approved by the Trustees.

The analysis of these costs is included in note 5.

Operating Leases

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

Investment Properties

Investment properties are measured at fair value at each balance sheet date, with changes in fair value recognised in 'net gains / (losses) on investments' in the SOFA.

Surpluses and deficits arising on revaluation are taken to revaluation reserves within the Foundation's subsidiary companies (with the movement reflected in the statement of total recognised gains and losses), and to the SOFA on consolidation.

Sales and purchases of investment properties are recognised at the date of exchange, where this is not subject to conditions, as the equitable interest has passed from the vendor to the purchaser at this date. If a contract is conditional, credit for a sale is taken when the last material condition has been satisfied.

Investments

Subsidiary Companies

Investments in Subsidiary Companies are valued annually at the attributable amount of the subsidiaries' net assets at the Balance Sheet date. This is considered by the Trustees to be a fair assessment of their fair value.

Publicly Traded Investments

Publicly traded investments are measured at fair value at each balance sheet date, with changes in fair value recognised in 'net gains / (losses) on investments' in the SOFA.

Taxation

The Foundation is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010. It therefore meets the definition of a charitable company for UK corporation tax purposes.

The Foundation is registered for VAT; irrecoverable VAT (where applicable) is included with the expenditure to which it relates. The Subsidiaries of the Foundation are liable to Corporation Tax on any taxable income not covenanted or transferred by Gift Aid to the Foundation.

Grants

Grants authorised in the period are charged to the SOFA. Any grants authorised but unpaid at the Balance Sheet date are included in creditors. Grants covering more than one period are charged to the SOFA as the money is released and is conditional on receipt of satisfactory progress reports.

Pension Costs

The Foundation operates a pension scheme. Payments made are charged against income in the period in which they are paid.

Judgments in applying accounting policies and key sources of estimation uncertainty

The Foundation makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Judgments in applying accounting policies and key sources of estimation uncertainty (continued)

(i) Impairment of debtors

The Foundation makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 14 for the net carrying amount of the debtors.

(ii) Valuation of investment properties

The Foundation makes an estimate of the fair value of investment properties. When assessing the fair value, the Board seeks the help of an expert in this area and considers, amongst other things the expected rental yields, the length of the term of the lease, the valuation of other properties in the immediate vicinity and the condition of the building.

1. Income from Investment Properties

	Company 2025 £	Company 2024 £
Rental Income	445,932	462,171

2. Income from Investments

	Group 2025 £	Group 2024 £
Income from Managed Portfolio	463,320	510,334
Interest	66,252	56,178
Other investment income	289,104	393,900
	818,676	960,412

Other investment income relates to income from investments held in managed funds outside of the main investment portfolio.

3. Expenditure on Raising Funds

	Group 2025 £	Group 2024 £
Management of investment properties	159,338	169,109
Investment management fees	217,628	193,139
	376,966	362,248

4. Analysis of Expenditure on Charitable Activities

	Staff £	Direct costs £	Support costs £	Group 2025 Total £	Group 2024 Total £
Grant making	23,422	913,213	41,660	978,295	867,802
Prior year					
Grant making	23,215	798,730	45,857	867,802	

5. Support Costs

	Basis of Allocation	Investment Properties £	Grant Making £	Total 2025 £	Total 2024 £
Governance costs (note 6)	71%-29%	30,916	12,628	43,544	41,188
Office costs	71%-29%	11,877	4,851	16,728	15,128
Premises & Maintenance	71%-29%	59,201	24,181	83,382	101,812
		101,994	41,660	143,654	158,128
Prior year					
Governance costs	71%-29%	29,243	11,945	41,188	
Office costs	71%-29%	10,741	4,387	15,128	
Premises	71%-29%	72,287	29,525	101,812	
		112,271	45,857	158,128	

6. Governance Costs

	Group 2025 £	Group 2024 £
Business Rates	4,069	4,155
Insurance	5,403	2,396
Accountancy Fees	11,030	11,553
Professional Fees	21,576	21,703
Bank Charges	1,466	1,381
	43,544	41,188

7. Analysis of Grants

	Grants to Institutions £	Grants to Individuals £	Total 2025 £	Total 2024 £
Youth category grants (Y)	410,752	-	410,752	372,162
The Disabled category grants (D)	202,500	-	202,500	182,467
The Terminally ill and Hospices (ETH)	74,801	-	74,801	73,279
Other category grants (O)	225,160	-	225,160	170,822
	913,213	-	913,213	798,730

No grants were paid to individuals in the prior year.

Recipients of Grants	Grant Making £	Total 2025 £	Total 2024 £
QEST (Queen Elizabeth Scholarship Fund) (Y)	-	-	10,000
Other grants paid	-	913,213	788,730
Total grants paid	-	913,213	798,730

Others grants paid includes grants paid to UK registered charities which are each under £10,000.

8. **Net Income is stated after Charging:**

		Group 2025 £	Group 2024 £
Auditor's remuneration	- audit	22,380	21,595
	- other services	7,225	6,975
Operating leases	- land and buildings	61,843	61,843
	- other	396	396

9. **Auditor's Remuneration**

Auditor's remuneration amounts to an audit fee of £22,380 (2024 - £21,595) and fees payable for iXBRL tagging, corporation tax compliance and VAT Compliance in relation to the Subsidiary Companies of £7,225 (2024 - £6,975).

10. **Staff Costs**

	2025 £	2024 £
Wages and salaries	149,613	150,133
Social security costs	7,044	7,115
Pension costs - employer's pension	3,199	1,895
	159,856	159,143

The average number of employees during the year, excluding Trustees, was 3 (2024 - 3). This equates to a full time equivalent number of 2 (2024 - 2).

No employee received total employee benefits of more than £60,000 within each individual entity of the group.

11. Trustees' and Key Management Personnel Remuneration and Expenses

	2025 Number	2024 Number
The number of Company Directors in receipt of emoluments	1	1

Payment of emoluments by the Subsidiary Companies to named Directors (who are also Trustees of the Foundation) is made in relation to management and professional services provided to these Companies.

Sir Andrew Ford is a Company Director of Fairhood Properties Limited for which he is paid a salary of £24,500, Middlerigg Services Limited, for which he is paid a salary of £12,000 and Mountbarrow Properties Limited for which he is paid a salary of £29,500 per annum. Payments are approved under Charity Commission Order 462/98 sealed on 21 December 1998.

The following Trustees' expenses were reimbursed or paid directly on their behalf during the year:

	2025 Number	2024 Number	2025 £	2024 £
Travel	1	2	238	327

The total amount of employee benefits received by key management personnel during the year was £80,766 (2024 - £80,053). The Trust considers its key management personnel to comprise of:

Mary Kitto: Company Secretary
Lucy Janes: Appeals Secretary
Christine Janes: Financial Accountant

12. Investment Properties

Valuation	Group freehold land and buildings 2025 £	Group freehold land and buildings 2024 £	Company freehold land and buildings 2025 £	Company freehold land and buildings 2024 £
At beginning of year	9,335,000	9,310,000	6,710,000	6,785,000
Additions at cost	-	-	-	-
Disposal in year	(375,000)	-	(375,000)	
Capitalised Improvements	-	-	-	-
(Deficit) on revaluation	(535,000)	25,000	(410,000)	(75,000)
At end of year	8,425,000	9,335,000	5,925,000	6,710,000

It should be noted that in October 2024, The Hedley Foundation sold a retail property in Salisbury which affected the Group's property valuation. The properties original cost is now £10,550,188 (2024 - £11,750,188) (Group), and £8,425,263 (2024 - £9,625,263) (Company). The fair value of investment properties is determined by independent, professional valuation at 31 March 2025. The valuation was undertaken by Clive Thomas of Clive Thomas & Co Chartered Surveyors, in conjunction with Robin Hanson of Brackenridge Hanson Tate, Chartered Surveyors and Property Consultants. Robin Hanson is a Fellow of the Royal Institute of Chartered Surveyors. The exercise was carried out on a "desk top" valuation basis, which takes into consideration the location, the valuation of other properties in the immediate vicinity of the building, the condition of the building and the expected rental yields. Valuations are undertaken annually.

13. Fixed Asset Investments

	2025 £	2024 £	2025 £	2024 £
	Group		Company	
Investment in subsidiary undertakings	-	-	4,486,732	4,666,195
Listed investments	30,106,387	30,218,255	30,106,387	30,218,255
Other investments	6,632,984	6,003,223	6,632,984	6,003,223
	36,739,371	36,221,478	41,226,103	40,887,673

Details of the subsidiary undertakings can be found in Note 24.

13a. **Fixed Asset Investments**

	Company £
Investment in Subsidiary Undertakings	
Valuation at beginning of year	4,666,195
Movement in year	(179,463)
Valuation at end of year	4,486,732

These Financial Statements incorporate the results of all the Foundation's subsidiaries, which are listed in Note 23. All the subsidiaries are incorporated in England & Wales and are wholly owned at 31 March 2025.

13b. **Fixed Asset Investments**

	2025 £	2025 £	2024 £	2024 £
Listed Investments	**Group and Company**		**Group and Company**	
Market value at beginning of year		30,218,255		25,283,394
Additions at cost		3,417,814		5,128,863
Disposal proceeds		(4,473,228)		(5,437,829)
Net investment gains				
- unrealised gains / (losses) on revaluation	(404,989)		4,162,974	
- realised gains on disposal	1,348,535		1,080,853	
		943,546		5,243,827
Market value at end of year		30,106,387		30,218,255

Listed Investments

	2025 £	2024 £
UK equity shares	2,027,451	2,310,187
Overseas equities	28,078,936	27,908,068
Market value of listed investments	30,106,387	30,218,255

The fair value of listed investments is determined by reference to the quoted price for identical assets in an active market at the balance sheet date.

14. Debtors

	2025	2024	2025	2024
	£	£	£	£
	Group		Company	
Amounts owed by subsidiary undertakings - deeds of covenant/gift aid	-	-	140,381	130,600
Amounts owed by subsidiary undertakings - other	-	-	231,047	220,502
Prepayments and accrued income	265,498	264,672	102,895	111,061
	265,498	264,672	474,323	462,163

15. Cash at Bank and in Hand

	2025	2024	2025	2024
	£	£	£	£
	Group		Company	
Deposit accounts	1,338,233	1,214,656	1,338,233	1,214,656
Current accounts	28,509	25,099	10,079	10,023
Cash at Investment Managers	1,502,434	506,168	1,502,434	506,168
	2,869,176	1,745,923	2,850,746	1,730,847

16. Creditors: amounts falling due within one year

	2025	2024	2025	2024
	£	£	£	£
	Group		Company	
Amounts owed to subsidiary undertakings	-	-	2,364,000	2,386,000
Taxation and social security costs	-	16	-	16
Accruals and deferred income (see note 17)	112,687	117,221	67,095	85,431
Other creditors	236,217	203,111	94,936	72,511
	348,904	320,348	2,526,031	2,543,958

The amounts owed to subsidiary undertakings are unsecured and repayable on demand. Interest is charged at the same rate of interest as that received by the Foundation for funds held in COIF.

17. Deferred Income

	2025	2024	2025	2024
	£	£	£	£
	Group		Company	
At 1 April 2024	23,454	23,454	4,743	4,743
Additions during the year	20,943	20,815	15,743	20,815
Amounts released	(23,454)	(20,815)	(4,743)	(20,815)
At 31 March 2025	20,943	23,454	15,743	4,743

Income has been deferred in relation to rents received quarterly in advance. All deferred income relates to a period of less than one year.

18. Fund Reconciliation

	Balance at beginning of year £	Income £	Expenditure £	Net Investment gains/ (losses) £	Balance at end of year £
Company Funds	47,306,128	1,574,833	(1,355,261)	538,307	48,064,007
Subsidiary companies' funds	4,666,195	296,702	(351,165)	(125,000)	4,486,732
Consolidation adjustments	(4,725,598)	(230,750)	230,750	125,000	(4,600,598)
Group Funds	47,246,725	1,640,785	(1,475,676)	538,307	47,950,141

The Company's net income before gains/(losses) for the year ended 31 March 2025 amounted to £219,572. Details of the consolidation adjustments can be found in note 24.

19. Operating Lease Commitments - Company and Group

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2025		2024	
	Land and buildings	Others	Land and buildings	Others
Not later than one year	62,820	396	62,820	396
Later than one but not later than five years	125,640	-	188,640	792
	188,460	792	250,740	1,188

As at 31 March 2025 there were Grant commitments of £Nil.

20. Reconciliation of net income to net cash flow from Operating Activities

	2025 £	2024 £
Net income for year	(1,616)	271,103
Decrease / (increase) in debtors	(826)	(24,793)
Increase/ (decrease) in creditors	28,556	24,627
Net Cash Inflow from Operating Activities	26,114	270,937

21. Pensions

Defined contribution pension - Employer pension plan

The Foundation operates a defined contribution employer pension plan for its employees. The amount of contributions recognised as an expense during the year was £3,200 (2024 - £1,895).

22. Related Party Transactions

During the year the Foundation made grant payments of £37,100 (2024 - £37,100) to 7 (2024 - 7) charities where one or more of the Foundation's Trustees also served as Trustees of the beneficiary charities:

	Income £	Expenditure £
The Lockie Trust (Trustee: Angus Fanshawe)		
At 31 March 2024	5,300	5,300
At 31 March 2025	5,300	5,250
The Phoenix Cottage Trust (Trustee: David Byam-Cook)		
At 31 March 2024	5,300	5,950
At 31 March 2025	5,300	4,500
The Ravensword Trust (Trustee: Patrick Holcroft)		
At 31 March 2024	5,300	7,200
At 31 March 2025	5,300	7,600
The Sant Trust (Trustee: Lorna Stuttaford)		
At 31 March 2024	5,300	1,050
At 31 March 2025	5,300	6,000
The Tristenagh Trust (Trustee: Andrew Ford)		
At 31 March 2024	5,300	4,929
At 31 March 2025	37,320	4,655
The Shearwater Trust (Trustee: Charles Bennett)		
At 31 March 2024	5,300	4,000
At 31 March 2025	5,300	7,010
The Ringford Trust (Trustee: Alexander Scully)		
At 31 March 2024	5,300	5,760
At 31 March 2025	5,300	4,150

Provisions for doubtful related party debtors amounted to £nil at the balance sheet date (2024 - £nil). The Charity recognised £nil (2024 - £nil) as an expense during the year in respect of bad or doubtful related party debts. There were no outstanding balances or commitments at 31 March 2025 or 2024 with related parties.

Each Trustee manages a charitable Trust as shown above. Each Trust receives an annual donation from the Foundation which can be used to make discretionary donations to any UK registered charity. Personal donations can be made by Trustees into their own charitable Trust.

There were no other related party transactions in the current or prior year.

23. Results of Subsidiary Companies

The following companies are wholly owned subsidiaries of the Foundation:

Company	Company Number
Fairhood Properties Limited	00712408
Merewood Properties Limited	01539486
Mountbarrow Properties Limited	00591626
Middlerigg Nominees Limited	02298673
Middlerigg Services Limited	00431334

The management company and the property companies transfer 100% of their taxable profits to the Foundation under the Gift Aid arrangements.

The results of the Foundation's subsidiaries are shown in Note 24 on page 28. These results include intragroup transactions of £12,908 (2024 - £11,924) for management services provided by Middlerigg Services Limited to fellow subsidiaries and £74,342 (2024 - £71,925) interest arising on loans with fellow group entities.

All subsidiaries covenant or transfer by means of Gift Aid 100% of their taxable profits to the Foundation. The subsidiaries are involved in the management of investment properties, except Middlerigg Nominees Limited which is a nominee company and Middlerigg Services Limited which is a management services company.

No deferred tax is provided on investment properties held by Fairhood Properties Limited as the availability of indexation reduces any gains to nil. In Mountbarrow Properties Limited no deferred tax is provided on the investment properties. There is a potential deferred tax liability of £99,981 which has not been recognised in the Financial Statements of this Company as there is an enduring Deed of Covenant in place which requires the entire Company's annual taxable profit to be donated to the Foundation and therefore any capital gain on the eventual disposal of the investment properties will not crystallise a corporation tax liability.

All companies are registered and incorporated in England and Wales.

23. Results of Subsidiary Companies	Fairhood Properties Limited		Merewood Properties Limited		Middlerigg Services Limited		Mountbarrow Properties Limited		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	£	£	£	£	£	£	£	£	£	£
Gross income from investment Properties	51,187	51,188	29,692	33,542	-	-	90,661	88,928	171,540	173,656
Management fees / commission	-	-	-	-	50,820	45,119	-	-	50,820	45,119
Other income	-	-	-	-	-	-	-	-	-	-
Interest receivable	-	-	-	-	-	-	74,342	71,924	74,342	71,925
Total income of subsidiaries	**51,187**	**51,188**	**29,692**	**33,542**	**50,820**	**45,119**	**165,003**	**160,852**	**296,702**	**290,700**
Property outgoings	-	-	-	-	-	-	-	1,863	-	1,863
Administrative expenses	37,470	50,556	23,529	16,850	19,624	19,376	42,153	41,356	122,776	128,138
Interest payable	54,141	52,381	20,202	19,544	-	-	10,546	10,202	84,889	82,127
Corporation Tax payable	-	-	-	-	-		-	-	-	-
Deeds of Covenant/Gift Aid	-	-	-	-	31,196	25,743	112,304	107,431	143,500	133,174
Total expenses of subsidiaries	**91,610**	**102,937**	**43,731**	**36,394**	**50,820**	**45,119**	**165,003**	**160,852**	**351,165**	**345,302**
Retained profit/(losses)	(40,423)	(51,759)	(14,039)	(2,852)	-	-	-	-	(54,463)	(54,602)
Revaluation of freehold property	-	75,000	(25,000)	-	-	-	(100,000)	25,000	(125,000)	100,000
Release of realised loss on disposal of investment property	-	-	-	-	-	-	-	-	-	-
Reserves at beginning of year	1,158,748	1,135,497	54,414	57,266	9,360	9,360	3,443,678	3,418,678	4,666,199	4,620,801
Reserves at end of year	**1,118,325**	**1,158,748**	**15,375**	**54,414**	**9,360**	**9,360**	**3,343,678**	**3,443,678**	**4,486,738**	**4,666,199**

The Charitable Company also holds 100% of the share capital in a nominee company, Middlerigg Nominees Limited. This investment has been written down to £nil (2024 - £nil).

24. Subsidiary Companies - total income and expenditure reconciliation note

	2025 £	2024 £
(i) Total income of subsidiary companies	209,452	206,850
Plus: Group transactions		
- Management fee income	12,908	11,925
- Interest earned	74,342	71,925
Total income of subsidiary companies before consolidation (note 23)	296,702	290,700
(ii) Total expenses of subsidiary companies	120,415	128,280
Plus: Group transactions - deed of covenant/gift aid	143,500	133,174
- Management fee expenses	12,908	11,924
- Interest paid	74,342	71,925
Total expenses of subsidiary companies before consolidation (note 23)	351,165	345,304

25. Post Balance Sheet Events

Subsequent to the year end, the passing of Mrs Hedley, the life tenant of the Calgarth Estate, was noted. The Hedley Foundation will become the beneficiary of the proceeds of the Estate. It is not possible to estimate reasonably, the value of the Estate.

26. Financial Instruments

The Charity holds a number of financial assets (for example investments, debtors and cash) and financial liabilities (for example creditors) which meet the definition of basic financial instruments under the FRS 102 SORP. Details of the measurement bases, accounting policies and carrying values for these financial assets and liabilities are disclosed in notes 12 to 17 above.

All investments are carried at their fair value. Investments in equities and fixed interest securities are all traded in quoted public markets. Property and equity investments are reviewed regularly to optimise the best financial outcome for The Foundation and its property companies.

HEDLEY FOUNDATION LIMITED

England & Wales - Charity number 262933

Accounts

HEDLEY FOUNDATION LIMITED

A Company Limited by Guarantee

Registered Charity Number: 262933

Registered Company Number: 01018571

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2024

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HEDLEY FOUNDATION LIMITED CHARITY INFORMATION

Trustees	A C Ford (Chairman) P R Holcroft L B Stuttaford A E Fanshawe D W Byam-Cook C A G Bennett A J Scully
Company Secretary	M C Kitto
Registered Office	1 College Hill London EC4R 2RA
Bankers	Royal Bank of Scotland London Service Centre 4th Floor Regents House 42 Islington High Street London N1 8XL
Independent Auditor	PKF Littlejohn LLP 15 Westferry Circus Canary Wharf London E14 4HD
Investment Managers	Waverton Investment Management Limited 16 Babmaes Street London SW1Y 6AH Savills Investment Management (The Charities Property Fund) 33 Margaret Street London W1G 0JD
Solicitors	DMH Stallard LLP Griffin House 135 High Street Crawley RH10 1DQ
Company Registration Number	01018571
Charity Registration Number	262933

The Trustees, who are also the Directors of Hedley Foundation Limited (the Foundation), have pleasure in presenting their Report together with the audited Financial Statements for the year ended 31 March 2024. The Trustees have adopted the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" ("FRS 102 SORP") in preparing the Annual Report and Financial Statements of the Charity.

Trustees of the Charity

The Directors of the Charitable Company are its Trustees for the purposes of charity law. The Trustees who have served during the year and since the year end are listed on Page 1.

Objectives and Activities

The Foundation was established for exclusively charitable purposes. The Foundation manages its assets and its Subsidiary Companies, which together comprise the Group, and uses its income after costs to make grants to UK registered charities.

The Hedley Foundation aims to improve the quality of life of people in the UK, particularly those from disadvantaged backgrounds. It achieves this by making grants, within budget, to UK registered charities for the benefit of young people, disabled people, elderly people, the terminally ill and otherwise disadvantaged people and their carers. The essence of the Foundation's activities is Social Welfare and for convenience the following categories are used:

- **Youth**. Projects which raise the aspirations or help to realise the full potential of disadvantaged young people. Typically, grants are given to support young people into education, training or sustainable employment. Providing an opportunity to broaden horizons through sport and adventurous activities may form part of this category.
- **Disabled**. Projects to support and improve the quality of life of people of all ages with physical and mental disabilities, sensory impairment and learning difficulties.
- **Elderly/Terminally Ill**. Projects to help elderly people to maintain independence and projects to support those in the closing stage of life, in hospices or hospitals.
- **Miscellaneous Support**. Projects to support carers and social welfare projects that might support the homeless, the employability opportunities for offenders and ex-offenders and the opportunity to reduce re-offending.

Details of how to apply for a grant are available on the Foundation's website at www.hedleyfoundation.org.uk

The Trustees award grants to selected charities that have submitted applications for funding that would benefit those people outlined in the categories above. The Foundation tends not to give money to large scale or national charities. Typically, sums of £2,000 - £5,000 are given with occasional larger sums granted to charities where high impact can be achieved. Most grants are one-off payments, but multi-year grants might be considered. Further applications from the same organisation would not normally be considered for a period of two years from the date of the grant. Charities that may have submitted an unsuccessful application for a grant may apply again after a two year period. Acknowledgements are expected from the recipient charities and occasional follow-up visits may be made by Trustees.

Applications for grants are submitted to the Foundation, stating the sum they seek and articulating how they would wish to use any grant made. These are all considered with particular account being taken of how any grant would be spent, how many people would benefit, how much the applicant charity has already raised and of their latest audited accounts. All applications are considered initially by the Chairman and Appeals Clerk and those most closely aligned with the Foundation's objectives are taken to a Trustees' Sift Board, which discusses each application in detail. Thereafter, recommendations for payments are made to the Main Board of Trustees, which convenes a little later.

Whilst the Foundation does not have the resources to analyse the success of each grant made, follow-up visits are occasionally made to see the effect that a grant will have made. The Foundation requires the recipient to send a written acknowledgement, after receipt of a grant, and asks for a Report to be sent subsequently.

Grants totalling £798,730 were made during FY2023/24 to 326 charities (FY2022/23 - £745,205 to 279 charities). During the period, the Trustees believed that the macro-economic threats posed by low growth, high debt, increasing inflation and the effects of the war in Ukraine, would be likely to cascade into the UK economy and potentially affect the Foundation's income streams. It transpired that trading conditions continued to be difficult for High Street retailers as evidenced by two of the Foundation's fourteen shops being unoccupied for significant periods of the year, leases becoming shorter at renewal time and rents being downwardly negotiated. The Charities Property Fund faced similar headwinds during the year. However, to a considerable extent the effects of these difficulties were offset by the performance of the Foundation's investment portfolio, which prospered. However, given the evident uncertainties, the Trustees maintained a relatively cautious approach regarding expenditure throughout the period.

The Hedley Foundation maintains a small office of part time staff who are capable of managing and reporting all aspects of its activities. The Hedley Foundation's income and thus its ability to support other charities is derived from a professionally managed investment portfolio with Waverton Investment Management, an investment with the Charities Property Fund and from rents generated from a number of retail shops, which are let and managed with the aid of professional advisers.

Public Benefit

The objectives and activities as listed above are undertaken to further the Foundation's purpose for public benefit. The Trustees confirm that they have had regard to the guidance on public benefit issued by the Charity Commission when considering the objectives and activities of the Foundation.

Structure, Governance and Management

The Foundation was incorporated on 23 July 1971 as a company limited by guarantee and is a registered charity. It is governed by its Memorandum and Articles of Association. The Foundation has no share capital but each member undertakes, in the event of winding up, to contribute up to £1 towards the cost of winding up. At 31 March 2024 there were 7 members of the Foundation, who are also the Trustees and the Directors of the Charitable Company. New Trustees are appointed by the existing Trustees.

The management of the quoted investment portfolio is delegated to Waverton Investment Management, who are regulated by the FCA. The holding in CPF is managed by Savills Investment Management, which is also regulated by the FCA. The retail property portfolio is directly managed by the Trustees, who take professional advice from Clive Thomas and Co and Robin Hanson FRICS.

The Trustees met formally on four occasions during the year to review the performance of the Foundation's investments and its financial state, to authorise the distribution of grants and to conduct Board Meetings of the Subsidiary Companies of which they are Directors. Quarterly management accounts, formal briefings by investment managers and advisors and governance matters are routinely considered and documented.

Recommendations for pay and remuneration are made to a sub-committee of the Trustees and Directors of the Subsidiary Companies. The sub-committee, having considered various benchmarks, makes recommendations to the full Board of the Foundation. Remuneration of staff was reviewed in December 2023.

Review of the Business and Future Developments

The results for the year are set out on Page 10 of the Financial Statements. The net movement in funds for the year amounted to a surplus of £5,183,924 compared to a deficit of £499,058 in the prior year.

The following Companies are wholly owned subsidiaries of the Foundation:

Company	Principal Activity
Fairhood Properties Limited	Management of investment properties
Merewood Properties Limited	Management of investment properties
Mountbarrow Properties Limited	Management of investment properties
Middlerigg Nominees Limited	Nominee company
Middlerigg Services Limited	Management services company

The Management Company and the Property Companies transfer 100% of their taxable profits to the Foundation under the Gift Aid and Deed of Covenant arrangements.

The results of the above Companies have been consolidated in the Statement of Financial Activities and Balance Sheet of the Foundation in accordance with the Charities' Statement of Recommended Practice (SORP), Accounting and Reporting by Charities as updated in October 2019. The Trustees consider the results of the investment property companies and management services company to be satisfactory.

Financial instruments

The Foundation does not receive any public or government funding and relies entirely upon its invested assets to provide funding for the making of grants. In order to minimise the investment risk, the Trustees have diversified the range of investments to include UK and global equities, government stocks, retail property and units within the Charities Property Fund.

There has been no outsourced fundraising via professional fundraisers or other third parties. As a result, the charity is not registered with the fundraising regulator and received no fundraising complaints in the year.

Reserves Policy

The Foundation has total funds of £47,246,725 at 31 March 2024 all of which are unrestricted (2023 - £42,062,801). Of these total funds, £47,597,673 could only be realised by disposing of fixed assets (6,710,000 investment properties, £30,218,255 listed investments, £6,003,223 other investments and £4,666,195 investment in subsidiaries).

Unrestricted free reserves at the consolidated level on 31 March 2024 are £1,690,247 (2023 - £1,110,178). The Trustees consider the appropriate target level of consolidated free reserves to be twelve months operating expenditure. The current level of consolidated free reserves on 31 March 2024 is in line with this target, representing 14 months of operating and grant-making expenditure.

Investment Policy

The policy of the Foundation is to combine security with higher than average income through investments, partly in wholly owned let retail properties, partly in units within the Charities Property Fund and partly in a managed portfolio of investments.

In respect of the retail properties, the annual yield was 7% (2023 - 7%).

In respect of the Charities Property Fund, the current annual yield was 4.5% (2023 - 4.4%).

In respect of the managed globally invested portfolio, the current annual yield was 1.8% (2023 - 2.1%).

The rental income derived from the retail properties and the dividend from CPF are utilised, after expenses, for the purpose of making grants.

Risk Management

The Trustees consider that low growth, inflation and international political tensions to be the main threats to global economic stability. By extension these factors pose the main threat to the value of the investment portfolio, to the retail property portfolio and to the value of the units within the Charities Property Fund.

The Trustees review the Risk Register periodically (and at least annually) and routinely discuss major strategic, business and operational risks that may face the Foundation; mitigating actions, if any, are considered.

It is noteworthy that the annual cost base for the Foundation is relatively low, with more than twelve month's running costs being immediately available.

Third Party Indemnity Provisions

The Foundation has purchased professional indemnity insurance on behalf of the Trustees. The premium paid for the insurance was £1,606 (2023 - £448).

Trustees' Responsibilities

The Statement of Trustees' Responsibilities can be found on Page 6.

Audit Information

The Trustees who held office at the date of approval of this Trustees' Report confirm that, so far as they are individually aware, there is no relevant audit information of which the Charity's auditor is unaware; each Trustee has taken all reasonable steps that he/she ought to have taken as a Trustee to make himself/herself aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

Our independent auditor, PKF Littlejohn LLP, has signified its willingness to continue in office.

By Order of the Board

Mary Kitto

M C Kitto
Company Secretary

13 November 2024

The Trustees (who are also Directors of the Foundation for the purpose of company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting standards (UK Generally Accepted Accounting Practice).

Company and Charity law requires the Trustees to prepare Financial Statements for each financial year. Under that law the Trustees have prepared the Financial Statements in accordance with the Charities' Statement of Recommended Practice, Accounting and Reporting by Charities issued in July 2015 and United Kingdom Financial Reporting and Accounting Standards. Under company and charity law the Trustees must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of the surplus or deficit of the Charitable Company for that period. In preparing these Financial Statements, the Trustees are required to:

- select suitable accounting policies and to apply them consistently;
- observe the methods and principles of the Charities' SORP, Accounting and Reporting by Charities;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including SORP FRS 102 have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to assume that the Charitable Company will be able to continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions, to disclose with reasonable accuracy at any time the financial position of the Charitable Company and to ensure that the financial statements comply with the Companies Act 2006 and Charities Act 2011. They are also responsible for safeguarding the assets of the Charitable Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members and Trustees of Hedley Foundation Limited

Opinion

We have audited the financial statements of Hedley Foundation Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities (Including Income and Expenditure Account), the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2024, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the report of the trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the report of the trustees. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the group and parent charitable company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent charitable company financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts and relevant regulations made or having effect thereunder.

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

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

- We obtained an understanding of the group and parent charitable company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, sector research and application of cumulative audit knowledge and experience.
- We determined the principal laws and regulations relevant to the group and parent charitable company in this regard to be those arising from the Charities Act 2011, Companies Act 2006, Financial Reporting Standard 102, and relevant employee legislation.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent charitable company with those laws and regulations. These procedures included, but were not limited to enquiries of management, review of minutes and review of legal and regulatory correspondence.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that there was the potential for management bias in the valuation of investment properties. We addressed this through review of the valuation reports prepared by management's expert, testing the accuracy and completeness of inputs to their calculation, and challenging any assumptions applied in the valuations for example by agreement to third party metrics.
- We also identified potential for management bias in the judgements made around recoverability of debtors. We addressed this through examination of post year end cash received, review of correspondence with debtors and discussion of recoverability with management.
- We also identified potential for management bias in the allocation of support costs against charitable activity categories. We addressed this through reviewing the method used for reasonableness, and re-performing the calculation to ensure it had been performed accurately in line with the stated method.
- We also identified potential for management bias in the timing of recognition of rental income. We addressed this through detailed review of signed rental agreements, forming and expectation of the level of income to be recognised in the financial year, and comparison to actual.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Alastair Duke (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

Date: 11 June 2024

HEDLEY FOUNDATION LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)
Year ended 31 March 2024

	Note	Unrestricted Funds 2024 £	2023 £
Income from:			
Income from investment properties	1	462,171	431,078
Income from Investment portfolios	2	960,412	680,314
Other trading activities - subsidiary companies	24	206,850	220,833
Total Income		1,629,433	1,332,225
Expenditure on:			
Raising funds	3	362,248	342,912
Charitable activities	4	867,802	815,527
Other - on charitable trading	24	128,280	112,341
Total Expenditure		1,358,330	1,270,780
Net income		271,103	61,445
Net realised and unrealised gains on investment assets	13b	5,243,827	498,482
Net realised and unrealised losses on other investment assets		(356,006)	(983,985)
Unrealised gains on revaluation of investment properties		25,000	(75,000)
Net Movement in Funds		5,183,924	(499,058)
Fund balances brought forward		42,062,801	42,561,859
Fund balances carried forward		47,246,725	42,062,801

All of the above results are derived from continuing activities. The Company and its subsidiaries have no gains and losses other than those shown above.

In accordance with the provisions of the Companies Act 2006, a separate Income and Expenditure Account dealing with the results of the Foundation only has not been presented.

The Accounting Policies and Notes on pages 13 to 29 form part of these Financial Statements.

HEDLEY FOUNDATION LIMITED
Company Registration Number 01018571

CONSOLIDATED AND COMPANY BALANCE SHEETS
At 31 March 2024

	Note	Consolidated 2024 £	Consolidated 2023 £	Company 2024 £	Company 2023 £
Fixed Assets					
Investment properties	12	9,335,000	9,310,000	6,710,000	6,785,000
Listed Investments	13	30,218,255	25,283,394	30,218,255	25,283,394
Investments in subsidiaries	13	-	-	4,666,195	4,620,799
Other Investments	13	6,003,223	6,359,229	6,003,223	6,359,229
		45,556,478	40,952,623	47,597,673	43,048,422
Current Assets					
Debtors	14	264,672	239,879	462,163	426,085
Cash at bank and in hand	15	1,745,923	1,166,020	1,730,847	1,137,965
		2,010,595	1,405,899	2,193,010	1,564,050
Creditors: amounts falling due within one year	16	(320,348)	(295,721)	(2,543,958)	(2,549,671)
Net Current Assets/ (Liabilities)		1,690,247	1,110,178	(350,948)	(985,621)
Net Assets		47,246,725	42,062,801	47,246,725	42,062,801
General Funds					
Charitable funds		42,580,530	37,442,002	42,580,530	37,442,002
Non-charitable investment/trading company funds		4,666,195	4,620,799	4,666,195	4,620,799
Total Funds	18	47,246,725	42,062,081	47,246,725	42,062,801

These Financial Statements were approved and authorised for issue by the Board of Trustees on 13 November 2024.

Signed on behalf of the Board of Trustees

A C Ford
Chairman

P R Holcroft
Trustee

The Accounting Policies and Notes on pages 13 to 29 form part of these Financial Statements.

HEDLEY FOUNDATION LIMITED

CONSOLIDATED CASHFLOW STATEMENT
Year ended 31 March 2024

	Note	2024		2023	
		£	£	£	£
Cash inflow from operating activities	20		270,937		28,495
Net cash flow from operating activities			270,937		28,495
Cash flow from investing activities					
Payments to acquire investments		(5,128,863)		(6,542,512)	
Receipts from sales of investments		5,437,829		6,357,178	
Net cash flow used by investing Activities			308,966		(185,334)
Change in cash and cash equivalents In the year			579,903		(156,839)
Cash and cash equivalents at 1 April 2023			1,166,020		1,322,859
Cash and cash equivalents at 31 March 2024			1,745,923		1,166,020
Cash and cash equivalents consist of:					
Current accounts			25,099		38,084
Deposit accounts			1,214,656		949,703
Cash at Investment Managers			506,168		178,233
Cash and cash equivalents at 31 March 2024			1,745,923		1,166,020

The Accounting Policies and Notes on pages 13 to 29 form part of these Financial Statements.

General information and basis of preparation

The Hedley Foundation is a Charitable Company limited by Guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are charitable grant giving to UK registered charities.

The Charity constitutes a public benefit entity as defined by FRS 102. The Financial Statements have been prepared in accordance with 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) from 1 January 2019 the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019 The Financial Statements have been prepared under the historical cost convention, with the exception of investments, which are included on a market value basis and investment properties, which are included on the basis of annual valuations.

The Financial Statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The Financial Statements are prepared in sterling which is the functional currency of the Charity.

The significant accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going Concern

It is the opinion of the Trustees that the use of the going concern basis of accounting is appropriate. At the time of writing this Report, the Trustees are confident that there is reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future, at least 12 months from the date of approval of these financial statements. The Trustees of The Hedley Foundation are content that the Group remains a going concern.

Basis of Consolidation

The Group Financial Statements consolidate the Financial Statements of The Hedley Foundation Limited and its subsidiary undertakings.

Fund Accounting

General funds, all of which are unrestricted, are available for use at the discretion of the Trustees in furtherance of the general objectives of the Foundation.

Income Recognition

All income and expenditure is shown in the Statement of Financial Activities (SOFA).

Charitable Activities

The Foundation has a portfolio of investment properties generating rental income which is accounted for on a receivable basis.

Investment Income

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Interest income is recognised when receivable and dividend and rent income is recognised as the Foundation's right to receive payment is established.

Other Trading Activities - Subsidiary Companies

Income from trading activities includes income earned from trading activities undertaken by subsidiary companies to raise funds for the Charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred. The gross income of the subsidiaries is shown in the consolidated SOFA.

Expenditure

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes the direct costs of managing the listed investment portfolio;
- Expenditure on charitable activities includes direct expenditure on grant-making activities and support costs which are allocated on a basis consistent with the use of resources; and
- Non-charitable trading and investment property expenses includes the costs of the subsidiary companies which are incurred in relation to these activities.

Grants payable to third parties are included in expenditure on charitable activities. Where unconditional grants are made, these amounts are recognised when a constructive obligation is created, typically when the recipient is notified that a grant will be made to them. Where grants are conditional on performance, then the grant is only recognised once any unfulfilled conditions are outside of the control of the charity.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs and governance costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises costs have been allocated on a business to charity staff time allocation basis. This had been reviewed in September 2016 and subsequently approved by the Trustees.

The analysis of these costs is included in note 5.

Operating Leases

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

Investment Properties

Investment properties are measured at fair value at each balance sheet date, with changes in fair value recognised in 'net gains / (losses) on investments' in the SOFA.

Surpluses and deficits arising on revaluation are taken to revaluation reserves within the Foundation's subsidiary companies (with the movement reflected in the statement of total recognised gains and losses), and to the SOFA on consolidation.

Sales and purchases of investment properties are recognised at the date of exchange, where this is not subject to conditions, as the equitable interest has passed from the vendor to the purchaser at this date. If a contract is conditional, credit for a sale is taken when the last material condition has been satisfied.

Investments

Subsidiary Companies

Investments in Subsidiary Companies are valued annually at the attributable amount of the subsidiaries' net assets at the Balance Sheet date. This is considered by the Trustees to be a fair assessment of their fair value.

Publicly Traded Investments

Publicly traded investments are measured at fair value at each balance sheet date, with changes in fair value recognised in 'net realised and unrealised gains / (losses) on investment assets' in the SOFA.

Taxation

The Foundation is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010. It therefore meets the definition of a charitable company for UK corporation tax purposes.

The Foundation is registered for VAT; irrecoverable VAT (where applicable) is included with the expenditure to which it relates. The Subsidiaries of the Foundation are liable to Corporation Tax on any taxable income not covenanted or transferred by Gift Aid to the Foundation.

Grants

Grants authorised in the period are charged to the SOFA. Any grants authorised but unpaid at the Balance Sheet date are included in creditors. Grants covering more than one period are charged to the SOFA as the money is released and is conditional on receipt of satisfactory progress reports.

Pension Costs

The Foundation operates a pension scheme. Payments made are charged against income in the period in which they are paid.

Judgments in applying accounting policies and key sources of estimation uncertainty

The Foundation makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Judgments in applying accounting policies and key sources of estimation uncertainty (continued)

(i) Impairment of debtors

The Foundation makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 14 for the net carrying amount of the debtors and associated impairment provision.

(ii) Valuation of investment properties

The Foundation makes an estimate of the fair value of investment properties. When assessing the fair value, the Board seeks the help of an expert in this area and considers, amongst other things the expected rental yields, the length of the term of the lease, the valuation of other properties in the immediate vicinity and the condition of the building.

1. Income from Investment Properties

	Company 2024 £	Company 2023 £
Rental Income	462,171	431,078

2. Income from Investments

	Group 2024 £	Group 2023 £
Income from Managed Portfolio	510,334	391,230
Interest	56,178	21,013
Other investment income	393,900	268,071
	960,412	680,314

Other investment income relates to income from investments held in managed funds outside of the main investment portfolio.

3. Expenditure on Raising Funds

	Group 2024 £	Group 2023 £
Management of investment properties	169,109	172,168
Investment management fees	193,139	170,744
	362,248	342,912

4. Analysis of Expenditure on Charitable Activities

	Staff £	Direct costs £	Support costs £	Group 2024 Total £	Group 2023 Total £
Grant making	23,215	798,730	45,857	867,802	815,527
Prior year					
Grant making	21,653	745,205	48,669	815,527	

5. Support Costs

	Basis of Allocation	Investment Properties £	Grant Making £	Total 2024 £	Total 2023 £
Governance costs (note 6)	71%-29%	29,243	11,945	41,188	53,438
Office costs	71%-29%	10,741	4,387	15,128	13,811
Premises & Maintenance	71%-29%	72,287	29,525	101,812	100,574
		112,271	45,857	158,128	167,823
Prior year					
Governance costs	71%-29%	37,941	15,497	53,438	
Office costs	71%-29%	9,806	4,005	13,811	
Premises	71%-29%	71,408	29,166	100,574	
		119,155	48,668	167,823	

6. Governance Costs

	Group 2024 £	Group 2023 £
Business Rates	4,155	4,454
Insurance	2,396	2,093
Accountancy Fees	11,553	8,903
Professional Fees	21,703	36,677
Bank Charges	1,381	1,311
	41,188	53,438

7. Analysis of Grants

	Grants to Institutions £	Grants to Individuals £	Total 2024 £	Total 2023 £
Youth category grants (Y)	372,162	-	372,162	304,170
The Disabled category grants (D)	182,467	-	182,467	209,307
The Terminally ill and Hospices (ETH)	73,279	-	73,279	51,761
Other category grants (O)	170,822	-	170,822	179,967
	798,730	-	798,730	745,205

Recipients of Grants	Grant Making £	Total 2024 £	Total 2023 £
Veterans' Aid	-	-	10,000
DEC - Turkey / Syrian (O)	-	-	10,000
QEST (Queen Elizabeth Scholarship Fund) (Y)	10,000	10,000	-
Other grants paid	788,730	788,730	725,205
Total grants paid	798,730	798,730	745,205

Others grants paid includes grants paid to UK registered charities which are each under £10,000.

8. **Net Income is stated after Charging:**

		Group 2024 £	Group 2023 £
Auditor's remuneration	- audit	21,595	20,760
	- other services	6,975	5,360
Operating leases	- land and buildings	61,843	61,843
	- other	396	838

9. **Auditor's Remuneration**

Auditor's remuneration amounts to an audit fee of £21,595 (2023 - £20,760) and fees payable for iXBRL tagging, corporation tax compliance and VAT Compliance in relation to the Subsidiary Companies of £6,975 (2023 - £5,360).

10. **Staff Costs**

	2024 £	2023 £
Wages and salaries	150,133	141,337
Social security costs	7,115	6,860
Pension costs - employer's pension	1,895	1,603
	159,143	149,800

The average number of employees during the year, excluding Trustees, was 3 (2023 - 3). This equates to a full time equivalent number of 2 (2023 - 2).

No employee received total employee benefits of more than £60,000.

11. Trustees' and Key Management Personnel Remuneration and Expenses

	2024 Number	2023 Number
The number of Company Directors in receipt of emoluments	1	1

Payment of emoluments by the Subsidiary Companies to named Directors (who are also Trustees of the Foundation) is made in relation to management and professional services provided to these Companies.

Sir Andrew Ford is a Company Director of Fairhood Properties Limited for which he is paid a salary of £24,500, Middlerigg Services Limited, for which he is paid a salary of £12,000 and Mountbarrow Properties Limited for which he is paid a salary of £29,500 per annum. Payments are approved under Charity Commission Order 462/98 sealed on 21 December 1998.

The following Trustees' expenses were reimbursed or paid directly on their behalf during the year:

	2024 Number	2023 Number	2024 £	2023 £
Travel	2	-	327	-

The total amount of employee benefits received by key management personnel during the year was £80,053 (2023 - £74,820). The Trust considers its key management personnel to comprise of:

Mary Kitto: Company Secretary
Lucy Janes: Appeals Secretary
Christine Janes: Financial Accountant

12. Investment Properties

Valuation	Group freehold land and buildings 2024 £	Group freehold land and buildings 2023 £	Company freehold land and buildings 2024 £	Company freehold land and buildings 2023 £
At beginning of year	9,310,000	9,385,000	6,785,000	6,860,000
Additions at cost	-	-	-	-
Disposal in year	-	-	-	
Capitalised Improvements	-	-	-	-
(Gain) on revaluation	25,000	(75,000)	(75,000)	(75,000)
At end of year	9,335,000	9,310,000	6,710,000	6,785,000

The investment properties had an original cost of £11,750,188 (2023 - £11,750,188) (Group), and £9,625,263 (2023 - £9,625,263) (Company). The fair value of investment properties is determined by independent, professional valuation at 31 March 2024. The valuation was undertaken by Clive Thomas of Clive Thomas & Co Chartered Surveyors, in conjunction with Robin Hanson of Brackenridge Hanson Tate, Chartered Surveyors and Property Consultants. Both Messrs Thomas and Hanson are Fellows of the Royal Institute of Chartered Surveyors. The exercise was carried out on a "desk top" valuation basis, which takes into consideration the location, the valuation of other properties in the immediate vicinity of the building, the condition of the building and the expected rental yields. Valuations are undertaken annually.

13. Fixed Asset Investments

	2024 £	2023 £	2024 £	2023 £
	Group		Company	
Investment in subsidiary undertakings	-	-	4,666,195	4,620,799
Listed investments	30,218,255	25,283,394	30,218,255	25,283,394
Other investments	6,003,223	6,359,229	6,003,223	6,359,229
	36,221,478	31,642,623	40,887,673	36,263,422

Details of the subsidiary undertakings can be found in Note 24.

13a. **Fixed Asset Investments**

	Company £
Investment in Subsidiary Undertakings	
Valuation at beginning of year	4,620,799
Movement in year	45,396
Valuation at end of year	4,666,195

These Financial Statements incorporate the results of all the Foundation's subsidiaries, which are listed in Note 23. All the subsidiaries are incorporated in England & Wales and are wholly owned at 31 March 2024.

13b. **Fixed Asset Investments**

	2024 £	2024 £	2023 £	2023 £
Listed Investments	**Group and Company**		**Group and Company**	
Market value at beginning of year		25,283,394		24,599,578
Additions at cost		5,128,863		6,542,512
Disposal proceeds		(5,437,829)		(6,357,178)
Net investment gains				
- unrealised gains / (losses) on revaluation	4,162,974		(1,877,430)	
- realised gains on disposal	1,080,853		2,375,912	
		5,243,827		489,482
Market value at end of year		30,218,255		25,283,394

Listed Investments

	2024 £	2023 £
UK equity shares	2,310,187	3,870,364
Overseas equities	27,908,068	21,413,030
Market value of listed investments	30,218,255	25,283,394

The fair value of listed investments is determined by reference to the quoted price for identical assets in an active market at the balance sheet date.

14. Debtors

	2024	2023	2024	2023
	£	£	£	£
	Group		Company	
Amounts owed by subsidiary undertakings - deeds of covenant/gift aid	-	-	130,600	108,538
Amounts owed by subsidiary undertakings - other	-	-	220,502	210,299
Prepayments and accrued income	264,672	239,879	111,061	107,248
	264,672	239,879	462,163	426,085

15. Cash at Bank and in Hand

Deposit accounts	1,214,656	949,703	1,214,656	949,703
Current accounts	25,099	38,084	10,023	10,029
Cash at Investment Managers	506,168	178,233	506,168	178,233
	1,745,923	1,166,020	1,730,847	1,137,965

16. Creditors: amounts falling due within one year

Amounts owed to subsidiary undertakings	-	-	2,386,000	2,398,000
Taxation and social security costs	16	-	16	-
Accruals and deferred income (see note 17)	117,221	110,547	85,431	75,035
Other creditors	203,111	185,174	72,511	76,636
	320,348	295,721	2,543,958	2,549,671

The amounts owed to subsidiary undertakings are unsecured and repayable on demand. Interest is charged at the same rate of interest as that received by the Foundation for funds held in COIF.

17. Deferred Income

	2024	2023	2024	2023
	£	£	£	£
	Group		Company	
At 1 April 2023	23,454	23,454	4,743	4,743
Additions during the year	20,815	18,968	20,815	18,968
Amounts released	(20,815)	(18,968)	(20,815)	(18,968)
At 31 March 2024	23,454	23,454	4,743	4,743

Income has been deferred in relation to rents received quarterly in advance. All deferred income relates to a period of less than one year.

18. **Fund Reconciliation**

	Balance at beginning of year £	Income £	Expenditure £	Net Investment gains/ (losses) £	Balance at end of year £
Company Funds	42,067,600	1,555,757	(1,230,050)	4,912,821	47,306,128
Subsidiary companies' funds	4,620,799	290,700	(345,304)	100,000	4,666,195
Consolidation adjustments	(4,625,598)	(217,024)	217,024	(100,000)	(4,725,598)
Group Funds	42,062,801	1,629,433	(1,358,330)	4,912,821	47,246,725

The Company's net income before gains/(losses) for the year ended 31 March 2024 amounted to £325,707. Details of the consolidation adjustments can be found in note 24.

19. **Operating Lease Commitments - Company and Group**

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2024		2023	
	Land and buildings	Others	Land and buildings	Others
Not later than one year	62,820	396	62,820	950
Later than one but not later than five years	188,640	792	62,820	1,188
	250,740	1,188	125,640	2,138

As at 31 March 2024 there were Grant commitments of £Nil (2023 - £Nil).

20. **Reconciliation of net income to net cash flow from Operating Activities**	2024 £	2023 £
Net income for year	271,103	61,445
(Increase)/decrease in debtors	(24,793)	31,458
Increase/(decrease) in creditors	24,627	(64,408)
Net Cash Inflow from Operating Activities	270,937	28,495

21. Pensions

Defined contribution pension - Employer pension plan

The Foundation operates a defined contribution employer pension plan for its employees. The amount of contributions recognised as an expense during the year was £1,895 (2023 - £1,603).

22. Related Party Transactions

During the year the Foundation made grant payments of £37,100 (2023 - £37,100) to 7 (2023 - 7) charities where one or more of the Foundation's Trustees also served as Trustees of the beneficiary charities:

	Income £	Grants £
The Lockie Trust (Trustee: Angus Fanshawe)		
At 31 March 2023	5,300	4,250
At 31 March 2024	5,300	5,300
The Phoenix Cottage Trust (Trustee: David Byam-Cook)		
At 31 March 2023	5,300	4,350
At 31 March 2024	5,300	5,950
The Ravensword Trust (Trustee: Patrick Holcroft)		
At 31 March 2023	5,300	4,700
At 31 March 2024	5,300	7,200
The Sant Trust (Trustee: Lorna Stuttaford)		
At 31 March 2023	5,300	4,350
At 31 March 2024	5,300	1,050
The Tristenagh Trust (Trustee: Andrew Ford)		
At 31 March 2023	5,300	1,635
At 31 March 2024	5,300	4,929
The Shearwater Trust (Trustee: Charles Bennett)		
At 31 March 2023	5,300	5,250
At 31 March 2024	5,300	4,000
The Ringford Trust (Trustee: Alexander Scully)		
At 31 March 2023	5,300	3,320
At 31 March 2024	5,300	5,760

A donation of £5,000 was made to The Choral Foundation, where Alexander Scully is a Trustee.

A donation of £3,000 was made to The Grenadier Guards Charity, where Charles Bennett is a Trustee.

Provisions for doubtful related party debtors amounted to £nil at the balance sheet date (2023 - £nil). The Charity recognised £nil (2023 - £nil) as an expense during the year in respect of bad or doubtful related party debts. There were no outstanding balances or commitments at 31 March 2024 or 2023 with related parties.

Each Trustee manages a charitable Trust as shown above. Each Trust receives an annual donation from the Foundation which can be used to make discretionary donations to any UK registered charity.

There were no other related party transactions in the current or prior year.

23. Results of Subsidiary Companies

The following companies are wholly owned subsidiaries of the Foundation:

Company	Company Number
Fairhood Properties Limited	00712408
Merewood Properties Limited	01539486
Mountbarrow Properties Limited	00591626
Middlerigg Nominees Limited	02298673
Middlerigg Services Limited	00431334

The management company and the property companies transfer 100% of their taxable profits to the Foundation under the Gift Aid arrangements.

The results of the Foundation's subsidiaries are shown in Note 24 on page 28. These results include intragroup transactions of £11,925 (2023 - £12,091) for management services provided by Middlerigg Services Limited to fellow subsidiaries and £71,925 (2023 - £29,447) interest arising on loans with fellow group entities.

All subsidiaries covenant or transfer by means of Gift Aid 100% of their taxable profits to the Foundation. The subsidiaries are involved in the management of investment properties, except Middlerigg Nominees Limited which is a nominee company and Middlerigg Services Limited which is a management services company.

No deferred tax is provided on investment properties held by Fairhood Properties Limited as the availability of indexation reduces any gains to nil. In Mountbarrow Properties Limited no deferred tax is provided on the investment properties. There is a potential deferred tax liability of £112,481 which has not been recognised in the Financial Statements of this Company as there is an enduring Deed of Covenant in place which requires the entire Company's annual taxable profit to be donated to the Foundation and therefore any capital gain on the eventual disposal of the investment properties will not crystallise a corporation tax liability.

All companies are registered and incorporated in England and Wales.

23. Results of Subsidiary Companies	Fairhood Properties Limited		Merewood Properties Limited		Middlerigg Services Limited		Mountbarrow Properties Limited		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	£	£	£	£	£	£	£	£	£	£
Gross income from investment Properties	51,187	51,187	33,541	40,833	-	-	88,928	91,310	173,656	183,330
Management fees / commission	-	-	-	-	45,119	49,594	-	-	45,119	49,594
Other income	-	-	-	-	-	-	-	-	-	-
Interest receivable	-	-	-	-	-	-	71,925	29,447	71,925	29,447
Total income of subsidiaries	51,187	**51,187**	33,541	**40,833**	45,119	**49,594**	160,853	**120,757**	290,700	**262,371**
Property outgoings	-	-	-	-	-	-	1,863	11,907	1,863	11,907
Administrative expenses	50,557	34,541	16,850	15,737	19,376	19,156	41,356	38,914	128,139	108,348
Interest payable	52,381	21,445	19,544	8,002	-	-	10,203	4,177	82,128	33,624
Corporation Tax payable	-	-	-	-	-	-	-	-	-	-
Deeds of Covenant/Gift Aid	-	-	-	17,094	25,743	30,438	107,431	65,759	133,174	113,291
Total expenses of subsidiaries	102,938	**55,986**	36,394	**40,833**	45,119	**49,594**	160,853	**120,757**	345,304	**267,170**
Retained profit/(losses)	(51,751)	(4,799)	(2,853)	-	-	-	-	-	(54,604)	(4,799)
Revaluation of freehold property	75,000	-	-	-	-	-	25,000	-	100,000	-
Release of realised loss on disposal of investment property	-	-	-	-	-	-	-	-	-	-
Reserves at beginning of year	1,135,497	1,140,296	57,265	57,265	9,360	9,360	3,418,677	3,418,677	4,620,799	4,625,598
Reserves at end of year	1,158,746	**1,135,497**	54,412	**57,265**	9,360	**9,360**	3,443,677	**3,418,677**	4,666,195	**4,620,799**

The Charitable Company also holds 100% of the share capital in a nominee company, Middlerigg Nominees Limited. This investment has been written down to £nil (2023 - £nil).

24. Subsidiary Companies - total income and expenditure reconciliation note

		2024 £	2023 £
(i)	Total income of subsidiary companies	206,850	220,833
	Plus: Group transactions		
	- Management fee income	11,925	12,091
	- Interest earned	71,925	29,447
	Total income of subsidiary companies before consolidation (note 23)	290,700	262,371
(ii)	Total expenses of subsidiary companies	128,280	112,341
	Plus: Group transactions - deed of covenant/gift aid	133,174	113,291
	- Management fee expenses	11,924	12,091
	- Interest paid	71,925	29,447
	Total expenses of subsidiary companies before consolidation (note 23)	345,304	267,170

25. Post Balance Sheet Events

There were no post balance sheet events.

26. Financial Instruments

The Charity holds a number of financial assets (for example investments, debtors and cash) and financial liabilities (for example creditors) which meet the definition of basic financial instruments under the FRS 102 SORP. Details of the measurement bases, accounting policies and carrying values for these financial assets and liabilities are disclosed in notes 12 to 17 above.

All investments are carried at their fair value. Investments in equities and fixed interest securities are all traded in quoted public markets. Property and equity investments are reviewed regularly to optimise the best financial outcome for The Foundation and its property companies.

HEDLEY FOUNDATION LIMITED

England & Wales - Charity number 262933

Accounts

HEDLEY FOUNDATION LIMITED

A Company Limited by Guarantee

Registered Charity Number: 262933

Registered Company Number: 01018571

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2023

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Trustees	A C Ford (Chairman) P R Holcroft L B Stuttaford A E Fanshawe D W Byam-Cook C A G Bennett A J Scully
Company Secretary	M C Kitto
Registered Office	1 College Hill London EC4R 2RA
Bankers	Royal Bank of Scotland London Service Centre 4th Floor Regents House 42 Islington High Street London N1 8XL
Independent Auditor	PKF Littlejohn LLP 15 Westferry Circus Canary Wharf London E14 4HD
Investment Managers	Waverton Investment Management Limited 16 Babmaes Street London SW1Y 6AH
Solicitors	Macfarlanes LLP 20 Cursitor Street London EC4A 1LT DMH Stallard LLP (wef January 2023) Griffin House 135 High Street Crawley RH10 1DQ
Company Registration Number	01018571
Charity Registration Number	262933

The Trustees, who are also the Directors of Hedley Foundation Limited (the Foundation), have pleasure in presenting their Report together with the Financial Statements for the year ended 31 March 2023. The Trustees have adopted the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" ("FRS 102 SORP") in preparing the Annual Report and Financial Statements of the Charity.

Trustees of the Charity

The Directors of the Charitable Company are its Trustees for the purposes of charity law. The Trustees who have served during the year and since the year end are listed on page 1.

Objectives and Activities

The Foundation was established for exclusively charitable purposes. The Foundation manages its assets including its Subsidiary Companies, which together with the Foundation comprise the Group, in order to make grants to UK registered charities out of the Group's income.

The Hedley Foundation aims to improve the quality of life of people in the United Kingdom, particularly those from disadvantaged backgrounds. It achieves this by making grants, within budget, to United Kingdom registered charities for the benefit of young people, disabled people, elderly people, the terminally ill and otherwise disadvantaged people and their carers. The essence of the Foundation's activities is Social Welfare and for convenience the following categories are used:

- **Youth**. Projects which raise the aspirations or help to realise the full potential of disadvantaged young people. Typically, grants are given to support young people into education, training or sustainable employment. Providing an opportunity to broaden horizons through sport and adventurous activities may form part of this category.
- **Disabled**. Projects to support and improve the quality of life of people of all ages with physical and mental disabilities, sensory impairment and learning difficulties.
- **Elderly/Terminally Ill**. Projects to help elderly people to maintain independence and projects to support those in the closing stage of life, in hospices or hospitals.
- **Miscellaneous Support**. Projects to support carers and social welfare projects that might support the homeless, the employability opportunities for offenders and ex-offenders and the opportunity to reduce re-offending.

Details of how to apply for a grant are available on the Foundation's website at www.hedleyfoundation.org.uk

The Hedley Foundation maintains a small office of part time staff who are capable of managing and reporting all aspects of its activities. The Hedley Foundation's income and thus its ability to support other charities is derived from a professionally managed investment portfolio with Waverton Investment Management, an investment with the Charities Property Fund, rents generated from a number of retail shops (which are let and managed with the aid of professional advisers) and management fees generated from the administration of a number of smaller Trusts.

The Trustees award grants to selected charities that have submitted applications for funding that would benefit those people outlined in the categories above. The Foundation tends not to give money to very large scale or national charities. Typically, sums of £3K - £5K are given with occasional larger sums granted to charities where high impact can be achieved. Most grants are one-off payments, but multi-year grants might be considered. Further applications from the same organisation would not normally be considered for a period of two years from the date of the grant. Charities that may have submitted an unsuccessful application for a grant may apply again after a one year period. Acknowledgements are expected from the recipient charities and occasional follow-up visits may be made by Trustees.

Applications for grants are submitted to the Foundation, stating clearly the sum they seek and articulating precisely how they would wish to use any grant made. These are all considered carefully with particular account being taken of how and on what any grant would be spent, how many people would benefit, how much the applicant charity has already raised and of their latest audited accounts. Those most closely aligned with the Foundation's objectives are taken to a Trustees' Sift Board, which discusses each application in detail. Thereafter, recommendations for payments are made to the Main Board of Trustees, which convenes a little later.

Whilst the Foundation does not have the resources to analyse the success of each grant made, follow-up visits (which resumed in March 2022 post COVID) are occasionally made to see the effect that a grant will have made. The Foundation requires the recipient to send a letter of acknowledgement, after receipt of a grant, and asks for a Report to be sent subsequently.

Grants totalling £745,205 were made during FY2022/23 to 278 charities (FY2021/22 - £610,000 to 173 charities). During the period, the Trustees believed that the macro-economic threats posed by low growth, high debt, increasing inflation and the effects of the war in Ukraine, would be likely to cascade into the UK economy and potentially affect the Foundation's income streams. Indeed, despite the ending of COVID related restrictions, it transpired that trading conditions continued to be difficult for High Street retailers as evidenced by two of the Foundation's fourteen shops being unoccupied for significant periods of the year, leases becoming shorter at renewal time and rents being downwardly negotiated. The Charities Property Fund faced similar headwinds during the year. However, to some extent the effects of these issues on the Foundation's capital and income streams were offset by The Hedley Foundation's investment portfolio, which held up well. With these factors in mind, the Trustees maintained a relatively cautious approach regarding expenditure throughout the period.

Public Benefit

The objectives and activities as listed above are undertaken to further the Foundation's purpose for public benefit. The Trustees confirm that they have had regard to the guidance on public benefit issued by the Charity Commission when considering the objectives and activities of the Foundation.

Structure, Governance and Management

The Foundation was incorporated on 23 July 1971 as a company limited by guarantee and is a registered charity. It is governed by its Memorandum and Articles of Association. The Foundation has no share capital but each member undertakes, in the event of winding up, to contribute up to £1 towards the cost of winding up. At 31 March 2023, there were 7 members of the Foundation, who are also the Trustees and the Directors of the Charitable Company. New Trustees are appointed by the existing Trustees.

The management of the quoted investment portfolio is delegated to Waverton Investment Management, who are regulated by the FCA. The retail property investments are advised on by Clive Thomas and Robin Hanson FRICS. The holding in CPF is managed by Savills Investment Management, also regulated by the FCA.

The Trustees met formally on four occasions during the year to review the progress of the Foundation's investment policy and its financial state, to authorise the distribution of grants and to conduct Board Meetings of the Subsidiary Companies of which they are Directors.

Recommendations for pay and remuneration, including for the key management personnel, are made to a sub Committee of the Trustees and Directors of the Subsidiary Companies (see below). The sub Committee then makes its own recommendations to the full Board of the Foundation which makes the final decision. Recommendations for pay and remuneration take into consideration many benchmarks including the remuneration levels paid by similar Third Sector organisations and the CPI. Remuneration of staff was reviewed in December 2022.

Review of the Business and Future Developments

The results for the year are set out on Page 10 of the Financial Statements. The net movement in funds for the year amounted to a reduction of (£490,058) compared to an increase of £3,443,761 in the prior year.

The following Companies are wholly owned subsidiaries of the Foundation:

Company	Principal Activity
Fairhood Properties Limited	Management of investment properties
Merewood Properties Limited	Management of investment properties
Mountbarrow Properties Limited	Management of investment properties
Middlerigg Nominees Limited	Nominee company

Middlerigg Services Limited	Management services company

The Management Company and the Property Companies transfer 100% of their taxable profits to the Foundation under the Gift Aid arrangements.

The results of the above Companies have been consolidated in the Statement of Financial Activities and Balance Sheet of the Foundation in accordance with the Charities' Statement of Recommended Practice (SORP), Accounting and Reporting by Charities as updated in October 2019. The Trustees consider the results of the investment property companies and management services company to be satisfactory.

Financial instruments

The Foundation does not receive any public or government funding and relies entirely upon its invested assets to provide funding for the making of grants. In order to minimise the investment risk, the Trustees have diversified the range of investments to include UK and global equities, government stocks, retail property and units within the Charities Property Fund.

There has been no outsourced fundraising via professional fundraisers or other third parties. As a result, the charity is not registered with the fundraising regulator and received no fundraising complaints in the year.

Reserves Policy

The Foundation has total funds of £42,062,801 at 31 March 2023 all of which are unrestricted (2022 - £42,561,859). Of these total funds, £43,048,422 could only be realised by disposing of fixed assets (£6,785,000 investment properties, £25,283,394 listed investments, £6,359,229 other investments and £4,620,799 investment in subsidiaries).

Unrestricted free reserves at the consolidated level at 31 March 2023 are £1,110,178 (2022 - £1,234,067). The Trustees consider the appropriate target level of consolidated free reserves to be twelve months operating expenditure. The current level of consolidated free reserves at 31 March 2023 is in line with this target, representing eleven months of operating and grant-making expenditure.

Investment Policy

The policy of the Foundation is to combine security with higher than average income by investment, partly in wholly owned let retail properties, partly in the Charities Property Fund and partly in a managed portfolio of investments.

In respect of the retail properties, the annual yield was 7% (2022 - 7%).

In respect of the Charities Property Fund, the current annual yield was 4.4% after costs (2022 - 3.5%).

In respect of the managed globally invested portfolio, the current annual yield was 2.1% (2022 - 1.9%).

The rental income derived from the retail properties and the dividends are utilised, after expenses, for the purpose of making grants.

Risk Management

The Trustees consider that sustained low growth, high inflation and international political tensions to be the main threats to global economic stability. By extension these factors pose the main threat to the value of the investment portfolio, to the retail property portfolio and to the value of the units within the Charities Property Fund.

Twice a year the Trustees examine the Risk Register which identifies the major strategic, business and operational risks which face the Foundation and they consider what actions, if any, are required to mitigate them. It is noteworthy that the annual cost base for the Foundation is relatively low, with more than twelve month's running costs being immediately available.

Third Party Indemnity Provisions

The Foundation has purchased professional indemnity insurance on behalf of the Trustees. The premium paid for the insurance was £448 (2022 - £448).

Trustees' Responsibilities

The Statement of Trustees' Responsibilities can be found on Page 6.

Audit Information

The Trustees who held office at the date of approval of this Trustees' Report confirm that, so far as they are individually aware, there is no relevant audit information of which the Charity's auditor is unaware; and each Trustee has taken all reasonable steps that he/she ought to have taken as a Trustee to make himself/herself aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

Our independent auditor, PKF Littlejohn LLP, has signified its willingness to continue in office.

By Order of the Board

Mary Kitto

M C Kitto
Company Secretary

8 November 2023

The Trustees (who are also Directors of the Foundation for the purpose of company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting standards (UK Generally Accepted Accounting Practice).

Company and Charity law requires the Trustees to prepare Financial Statements for each financial year. Under that law the Trustees have prepared the Financial Statements in accordance with the Charities' Statement of Recommended Practice, Accounting and Reporting by Charities issued in July 2015 and United Kingdom Financial Reporting and Accounting Standards. Under company and charity law the Trustees must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of the surplus or deficit of the Charitable Company for that period. In preparing these Financial Statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles of the Charities' SORP, Accounting and Reporting by Charities;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including SORP FRS 102 have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to assume that the Charitable Company will be able to continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006 and Charities Act 2011. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members and Trustees of Hedley Foundation Limited

Opinion

We have audited the financial statements of The Hedley Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise which comprise the Consolidated Statement of Financial Activities (including Income and Expenditure Account), the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2023, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report of the Trustees. Our opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the group and parent charitable company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent charitable company financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts and relevant regulations made or having effect thereunder.

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

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

- We obtained an understanding of the group and parent charitable company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, sector research and application of cumulative audit knowledge and experience.

- We determined the principal laws and regulations relevant to the group and parent charitable company in this regard to be those arising from the Charities Act 2011, Companies Act 2006, Financial Reporting Standard 102, and relevant employee legislation.

- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent charitable company with those laws and regulations. These procedures included, but were not limited to enquiries of management, review of minutes and review of legal and regulatory correspondence.

- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that there was potential for management bias in the valuation of investment properties. We addressed this through review of the valuation reports prepared by management's expert, testing the accuracy and completeness of inputs to their calculation, and challenging any assumptions applied in the valuations for example by agreement to third party metrics.

- We also identified potential for management bias in the judgements made around recoverability of debtors. We addressed this through examination of post year end cash received, review of correspondence with debtors and discussion of recoverability with management.

- We also identified potential for management bias in the allocation of support costs against charitable activity categories. We addressed this through reviewing the method used for reasonableness, and re-performing the calculation to ensure it had been performed accurately in line with the stated method.

- We also identified potential for management bias in the timing of recognition of rental income. We addressed this through detailed review of signed rental agreements, forming an expectation of the level of income to be recognised in the financial year, and comparison to actual.

- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Alastair Duke (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

Date: 14 December 2023

HEDLEY FOUNDATION LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)
Year ended 31 March 2023

	Note	Unrestricted Funds 2023 £	Unrestricted Funds 2022 £
Income from:			
Income from investment properties	1	431,078	496,379
Income from Investment portfolios	2	680,314	473,242
Other trading activities - subsidiary companies	24	220,833	224,754
Other Income		-	81,000
Total Income		1,332,225	1,275,375
Expenditure on:			
Raising funds	3	342,912	363,868
Charitable activities	4	815,527	687,330
Other - on charitable trading	24	112,341	93,313
Total Expenditure		1,270,780	1,144,511
Net income		61,445	130,864
Net realised and unrealised gains on listed investment assets	13b	498,482	2,128,616
Net realised and unrealised gains on other investment assets		(983,985)	1,444,281
Unrealised losses on revaluation of investment properties		(75,000)	(260,000)
Realised gain on sale of investment property		-	-
Net Movement in Funds		(499,058)	3,443,761
Fund balances brought forward		42,561,859	39,118,098
Fund balances carried forward		42,062,801	42,561,859

All of the above results are derived from continuing activities. The Company and its subsidiaries have no gains and losses other than those shown above.

In accordance with the provisions of the Companies Act 2006, a separate Income and Expenditure Account dealing with the results of the Foundation only has not been presented.

The Accounting Policies and Notes on pages 13 to 29 form part of these Financial Statements.

HEDLEY FOUNDATION LIMITED
Company Registration Number 01018571

CONSOLIDATED AND COMPANY BALANCE SHEETS
At 31 March 2023

	Note	Consolidated 2023 £	Consolidated 2022 £	Company 2023 £	Company 2022 £
Fixed Assets					
Investment properties	12	9,310,000	9,385,000	6,785,000	6,860,000
Listed Investments	13	25,283,394	24,599,578	29,904,193	29,225,176
Other Investments		6,359,229	7,343,214	6,359,229	7,343,214
		40,952,623	41,327,792	43,048,422	43,428,390
Current Assets					
Debtors	14	239,879	271,337	426,085	468,941
Cash at bank and in hand	15	1,166,020	1,322,859	1,137,965	1,170,401
		1,405,899	1,594,196	1,564,050	1,639,342
Creditors: amounts falling due within one year	16	(295,721)	(360,129)	(2,549,671)	(2,505,873)
Net Current Assets/ (Liabilities)		1,110,178	1,234,067	(985,621)	(866,531)
Net Assets		42,062,801	42,561,859	42,062,801	42,561,859
General Funds					
Charitable funds		37,442,002	37,936,261	37,442,002	37,936,261
Non-charitable investment/trading company funds		4,620,799	4,625,598	4,620,799	4,625,598
Total Funds	18	42,062,081	42,561,859	42,062,801	42,561,859

These Financial Statements were approved and authorised for issue by the Board of Trustees on 8 November 2023.

Signed on behalf of the Board of Trustees

Sir Andrew Charles Ford
Chairman

Patrick Roy Holcroft
Trustee

The Accounting Policies and Notes on pages 13 to 29 form part of these Financial Statements.

HEDLEY FOUNDATION LIMITED

CONSOLIDATED CASHFLOW STATEMENT
Year ended 31 March 2023

	Note	2023		2022	
		£	£	£	£
Cash inflow from operating activities	20		28,495		227,698
Net cash flow from operating activities			28,495		227,698
Cash flow from investing activities					
Payments to acquire investments		(6,542,512)		(6,347,631)	
Receipts from sales of investments		6,357,178		5,325,652	
Net cash flow used by investing Activities			(185,334)		(1,021,979)
Change in cash and cash equivalents In the year			(156,839)		(794,281)
Cash and cash equivalents at 1 April 2022			1,322,859		2,117,140
Cash and cash equivalents at 31 March 2023			1,166,020		1,322,859
Cash and cash equivalents consist of:					
Current accounts			38,084		162,524
Deposit accounts			949,703		955,110
Cash at Investment Managers			178,233		205,225
Cash and cash equivalents at 31 March 2023			1,166,020		1,322,859

The Accounting Policies and Notes on pages 13 to 29 form part of these Financial Statements.

General information and basis of preparation

The Hedley Foundation is a Charitable Company limited by Guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are charitable grant giving to UK registered charities.

The Charity constitutes a public benefit entity as defined by FRS 102. The Financial Statements have been prepared in accordance with 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) from 1 January 2019 the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019 The Financial Statements have been prepared under the historical cost convention, with the exception of investments, which are included on a market value basis and investment properties, which are included on the basis of annual valuations.

The Financial Statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The Financial Statements are prepared in sterling which is the functional currency of the Charity.

The significant accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going Concern

It is the opinion of the Trustees that the use of the going concern basis of accounting is appropriate. At the time of writing this Report, the Trustees are confident that there is reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future, at least 12 months from the date of approval of these financial statements. The Trustees of The Hedley Foundation are content that the Group remains a going concern.

Basis of Consolidation

The Group Financial Statements consolidate the Financial Statements of The Hedley Foundation Limited and its subsidiary undertakings.

Fund Accounting

General funds, all of which are unrestricted, are available for use at the discretion of the Trustees in furtherance of the general objectives of the Foundation.

Income Recognition

All income and expenditure is shown in the Statement of Financial Activities (SOFA).

Charitable Activities

The Foundation has a portfolio of investment properties generating rental income which is accounted for on a receivable basis.

Investment Income

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Interest income is recognised when receivable and dividend and rent income is recognised as the Foundation's right to receive payment is established.

Other Trading Activities - Subsidiary Companies

Income from trading activities includes income earned from trading activities undertaken by subsidiary companies to raise funds for the Charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred. The gross income of the subsidiaries is shown in the consolidated SOFA.

Expenditure

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes the direct costs of managing the listed investment portfolio;
- Expenditure on charitable activities includes direct expenditure on grant-making activities and support costs which are allocated on a basis consistent with the use of resources; and
- Non-charitable trading and investment property expenses includes the costs of the subsidiary companies which are incurred in relation to these activities.

Grants payable to third parties are included in expenditure on charitable activities. Where unconditional grants are made, these amounts are recognised when a constructive obligation is created, typically when the recipient is notified that a grant will be made to them. Where grants are conditional on performance, then the grant is only recognised once any unfulfilled conditions are outside of the control of the charity.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs and governance costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises costs have been allocated on a business to charity staff time allocation basis. This had been reviewed in September 2016 and subsequently approved by the Trustees.

The analysis of these costs is included in note 5.

Operating Leases

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

Investment Properties

Investment properties are measured at fair value at each balance sheet date, with changes in fair value recognised in 'net gains / (losses) on investments' in the SOFA.

Surpluses and deficits arising on revaluation are taken to revaluation reserves within the Foundation's subsidiary companies (with the movement reflected in the statement of total recognised gains and losses), and to the SOFA on consolidation.

Sales and purchases of investment properties are recognised at the date of exchange, where this is not subject to conditions, as the equitable interest has passed from the vendor to the purchaser at this date. If a contract is conditional, credit for a sale is taken when the last material condition has been satisfied.

Investments

Subsidiary Companies

Investments in Subsidiary Companies are valued annually at the attributable amount of the subsidiaries' net assets at the Balance Sheet date. This is considered by the Trustees to be a fair assessment of their fair value.

Publicly Traded Investments

Publicly traded investments are measured at fair value at each balance sheet date, with changes in fair value recognised in 'net gains / (losses) on investments' in the SOFA.

Taxation

The Foundation is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010. It therefore meets the definition of a charitable company for UK corporation tax purposes.

The Foundation is registered for VAT; irrecoverable VAT (where applicable) is included with the expenditure to which it relates. The Subsidiaries of the Foundation are liable to Corporation Tax on any taxable income not covenanted or transferred by Gift Aid to the Foundation.

Grants

Grants authorised in the period are charged to the SOFA. Any grants authorised but unpaid at the Balance Sheet date are included in creditors. Grants covering more than one period are charged to the SOFA as the money is released and is conditional on receipt of satisfactory progress reports.

Pension Costs

The Foundation operates a pension scheme. Payments made are charged against income in the period in which they are paid.

Judgments in applying accounting policies and key sources of estimation uncertainty

The Foundation makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Judgments in applying accounting policies and key sources of estimation uncertainty (continued)

(i) Impairment of debtors

The Foundation makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 14 for the net carrying amount of the debtors and associated impairment provision.

(ii) Valuation of investment properties

The Foundation makes an estimate of the fair value of investment properties. When assessing the fair value, the Board seeks the help of an expert in this area and considers, amongst other things the expected rental yields, the length of the term of the lease, the valuation of other properties in the immediate vicinity and the condition of the building.

1. Income from Investment Properties

	Company 2023 £	Company 2022 £
Rental Income	431,078	496,379

2. Income from Investments

	Group 2023 £	Group 2022 £
Income from Managed Portfolio	391,230	220,472
Interest	21,013	602
Other investment income	268,071	252,168
	680,314	473,242

Other investment income relates to income from investments held in managed funds outside of the main investment portfolio.

3. Expenditure on Raising Funds

	Group 2023 £	Group 2022 £
Management of investment properties	172,168	189,200
Investment management fees	170,744	174,668
	342,912	363,868

4. Analysis of Expenditure on Charitable Activities

	Staff £	Direct costs £	Support costs £	Group 2023 Total £	Group 2022 Total £
Grant making	21,653	745,205	48,669	815,527	687,330
Prior year					
Grant making	21,698	610,051	55,581	687,330	

5. Support Costs

	Basis of Allocation	Investment Properties £	Grant Making £	Total 2023 £	Total 2022 £
Governance costs (note 6)	71%-29%	37,941	15,497	53,438	99,430
Office costs	71%-29%	9,806	4,005	13,811	14,251
Premises & Maintenance	71%-29%	71,408	29,166	100,574	77,977
		119,155	48,668	167,823	191,658
Prior year					
Governance costs	71%-29%	70,595	28,835	99,430	
Office costs	71%-29%	10,119	4,132	14,251	
Premises	71%-29%	55,363	22,614	77,977	
		136,077	55,581	191,658	

6. Governance Costs

	Group 2023 £	Group 2022 £
Business Rates	4,454	4,420
Insurance	2,093	1,971
Accountancy Fees	8,903	8,263
Professional Fees	36,677	83,351
Bank Charges	1,311	1,425
	53,438	99,430

7. Analysis of Grants

	Grants to Institutions £	Grants to Individuals £	Total 2023 £	Total 2022 £
Youth category grants (Y)	304,170	-	304,170	184,592
The Disabled category grants (D)	209,307	-	209,307	206,370
The Terminally ill and Hospices (ETH)	51,761	-	51,761	93,489
Other category grants (O)	179,967	-	179,967	125,600
	745,205	-	745,205	610,051

No grants were paid to individuals in the prior year.

Recipients of Grants	Grant Making £	Total 2023 £	Total 2022 £
Veterans' Aid	10,000	10,000	-
DEC - Turkey / Syria (O)	10,000	10,000	-
DEC - Ukraine (O)	-	-	10,000
Other grants paid	725,205	725,205	600,051
Total grants paid	745,205	745,205	610,051

Others grants paid includes grants paid to UK registered charities which are each under £10,000.

8. **Net Income is stated after Charging:**

		Group 2023 £	Group 2022 £
Auditor's remuneration	- audit	20,760	19,320
	- other services	5,360	5,000
Operating leases	- land and buildings	61,843	61,843
	- other	838	838
Loss on fair value movement of investment property		(75,000)	(260,000)
Gain on fair value movement of listed investment portfolio		498,482	2,128,616
Loss on fair value movement of other investments		(983,985)	1,444,281

9. **Auditor's Remuneration**

Auditor's remuneration amounts to an audit fee of £20,760 (2022 - £19,320) and fees payable for iXBRL tagging, corporation tax compliance and VAT Compliance in relation to the Subsidiary Companies of £5,360 (2022 - £5,000).

10. **Staff Costs**

	2023 £	2022 £
Wages and salaries	141,337	138,937
Social security costs	6,860	6,834
Pension costs - employer's pension	1,603	1,419
	149,800	147,190

The average number of employees during the year, excluding Trustees, was 3 (2022 - 3). This equates to a full time equivalent number of 2 (2022 - 2).

No employee received total employee benefits (excluding employer pension costs) of more than £60.000.

11. Trustees' and Key Management Personnel Remuneration and Expenses

	2023 Number	2022 Number
The number of Company Directors in receipt of emoluments	1	1

Payment of emoluments by the Subsidiary Companies to named Directors (who are also Trustees of the Foundation) is made in relation to management and professional services provided to these Companies.

Sir Andrew Ford is a Company Director of Fairhood Properties Limited for which he is paid a salary of £24,500, Middlerigg Services Limited, for which he is paid a salary of £12,000 and Mountbarrow Properties Limited for which he is paid a salary of £29,500 per annum. Payments are approved under Charity Commission Order 462/98 sealed on 21 December 1998.

The following Trustees' expenses were reimbursed or paid directly on their behalf during the year:

	2023 Number	2022 Number	2023 £	2022 £
Travel	-	-	-	-

The total amount of employee benefits received by key management personnel during the year was £74,820 (2022 - £72,648). The Trust considers its key management personnel to comprise of:

Mary Kitto: Company Secretary
Lucy Janes: Appeals Secretary
Christine Janes: Financial Accountant

12. Investment Properties

Valuation	Group freehold land and buildings 2023 £	Group freehold land and buildings 2022 £	Company freehold land and buildings 2023 £	Company freehold land and buildings 2022 £
At beginning of year	9,385,000	9,645,000	6,860,000	7,055,000
Additions at cost	-	-	-	-
Disposal in year	-	-	-	-
Capitalised Improvements	-	-	-	-
(Loss) on revaluation	(75,000)	(260,000)	(75,000)	(195,000)
At end of year	9,310,000	9,385,000	6,785,000	6,860,000

The investment properties had an original cost of £11,750,188 (2022 - £11,750,188) (Group), and £9,625,263 (2022 - £9,625,263) (Company). The fair value of investment properties is determined by independent, professional valuation at 31 March 2023. The valuation was undertaken by Clive Thomas of Clive Thomas & Co Chartered Surveyors, in conjunction with Robin Hanson of Brackenridge Hanson Tate, Chartered Surveyors and Property Consultants. Robin Hanson is a Fellow of the Royal Institute of Chartered Surveyors. The exercise was carried out on a "desk top" valuation basis, which takes into consideration the location, the valuation of other properties in the immediate vicinity of the building, the condition of the building and the expected rental yields. Valuations are undertaken annually.

13. Fixed Asset Investments

	2023 £	2022 £	2023 £	2022 £
	Group		Company	
Investment in subsidiary undertakings	-	-	4,620,799	4,625,598
Listed investments	25,283,394	24,599,578	25,283,394	24,599,578
Other Investments	6,359,229	7,343,214	6,359,229	7,343,214
	31,642,623	31,942,792	36,263,422	36,568,390

Details of the subsidiary undertakings can be found in Note 24. Other investments consist of The Charities Property Fund, market value of £6,359,229 is 20.10% of the total investments.

13a. **Fixed Asset Investments**

	Company £
Investment in Subsidiary Undertakings	
Valuation at beginning of year	4,625,598
Movement in year	(4,799)
Valuation at end of year	4,620,799

These Financial Statements incorporate the results of all the Foundation's subsidiaries, which are listed in Note 23. All the subsidiaries are incorporated in England & Wales and are wholly owned at 31 March 2023.

13b. **Fixed Asset Investments**

	2023 £	2023 £	2022 £	2022 £
Listed Investments	**Group and Company**		**Group and Company**	
Market value at beginning of year		24,599,578		21,448,983
Additions at cost		6,542,512		6,347,631
Disposal proceeds		(6,357,178)		(5,325,652)
Net investment gains				
- unrealised gains / (losses) on revaluation	(1,877,430)		1,484,182	
- realised gains on disposal	2,375,912		644,434	
		498,482		2,128,616
Market value at end of year		25,283,394		24,599,578

Listed Investments

	2023 £	2022 £
UK equity shares	3,870,364	4,289,856
Overseas equities	21,413,030	20,309,722
Market value of listed investments	25,283,394	24,599,578

The fair value of listed investments is determined by reference to the quoted price at the balance sheet date.

14. Debtors

	2023	2022	2023	2022
	£	£	£	£
	Group		Company	
Amounts owed by subsidiary undertakings - deeds of covenant/gift aid	-	-	108,538	126,285
Amounts owed by subsidiary undertakings - other	-	-	210,299	206,122
Prepayments and accrued income	239,879	271,337	107,248	136,534
	239,879	271,337	426,085	468,941

15. Cash at Bank and in Hand

Deposit accounts	949,703	955,110	949,703	955,110
Current accounts	38,084	162,524	10,029	10,066
Cash at Investment Managers	178,233	205,225	178,233	205,225
	1,166,020	1,322,859	1,137,965	1,170,401

16. Creditors: amounts falling due within one year

Amounts owed to subsidiary undertakings	-	-	2,398,000	2,298,000
Accruals and deferred income (see note 17)	110,547	99,302	75,035	73,331
Other creditors	185,174	260,827	76,636	134,542
	295,721	360,129	2,549,671	2,505,873

The amounts owed to subsidiary undertakings are unsecured and repayable on demand. Interest is charged at the same rate of interest as that received by the Foundation for funds held in COIF.

17. Deferred Income

	2023	2022	2023	2022
	£	£	£	£
	Group		Company	
At 1 April 2022	23,454	27,164	4,743	8,453
Additions during the year	18,968	19,880	18,968	19,880
Amounts released	(18,968)	(23,590)	(18,968)	(23,590)
At 31 March 2023	23,454	23,454	4,743	4,743

Income has been deferred in relation to rents received quarterly in advance. All deferred income relates to a period of less than one year.

18. **Fund Reconciliation**

	Balance at beginning of year £	Income £	Expenditure £	Net Investment gains/ (losses) £	Balance at end of year £
Company Funds	42,561,859	1,224,683	(1,158,439)	(560,503)	42,067,600
Subsidiary companies' funds	4,625,598	262,371	(267,170)	-	4,620,799
Consolidation adjustments	(4,625,598)	(154,829)	154,829	-	(4,625,598)
Group Funds	42,561,859	1,332,225	(1,270,780)	(560,503)	42,062,801

The Company's net income before gains/(losses) for the year ended 31 March 2023 amounted to £66,244. Details of the consolidation adjustments can be found in note 24.

19. **Operating Lease Commitments - Company and Group**

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2023		2022	
	Land and buildings	Others	Land and buildings	Others
Not later than one year	62,820	950	62,820	950
Later than one but not later than five years	62,820	1,188	62,820	714
	125,640	2,138	125,640	1,664

As at 31 March 2023 there were Grant commitments of £Nil.

20. **Reconciliation of net income to net cash flow from Operating Activities**	2023 £	2022 £
Net income for year	(499,058)	3,443,761
Gains on listed investment portfolio	(498,482)	(2,128,616)
Losses on other investments	983,985	(1,444,281)
Losses on revaluation of investment property	75,000	260,000
Decrease / (increase) in debtors	31,458	1,409
Increase in creditors	(64,408)	95,425
Net Cash Inflow from Operating Activities	28,495	227,698

21. Pensions

Defined contribution pension - Employer pension plan

The Foundation operates a defined contribution employer pension plan for its employees. The amount of contributions recognised as an expense during the year was £1,603 (2022 - £1,419).

22. Related Party Transactions

During the year the Foundation made grant payments of £37,100 (2022 - £34,100) to 7 (2022 - 7) charities where one or more of the Foundation's Trustees also served as Trustees of the beneficiary charities:

	Income £	Expenditure £
The Lockie Trust (Trustee: Angus Fanshawe)		
At 31 March 2022	5,300	3,500
At 31 March 2023	5,300	4,250
The Phoenix Cottage Trust (Trustee: David Byam-Cook)		
At 31 March 2022	5,300	6,250
At 31 March 2023	5,300	4,350
The Ravensword Trust (Trustee: Patrick Holcroft)		
At 31 March 2022	5,300	2,500
At 31 March 2023	5,300	4,700
The Sant Trust (Trustee: Lorna Stuttaford)		
At 31 March 2022	5,300	3,500
At 31 March 2023	5,300	4,350
The Tristenagh Trust (Trustee: Andrew Ford)		
At 31 March 2022	2,300	2,230
At 31 March 2023	5,300	1,635
The Shearwater Trust (Trustee: Charles Bennett)		
At 31 March 2022	5,300	4,700
At 31 March 2023	5,300	5,250
The Ringford Trust (Trustee: Alexander Scully)		
At 31 March 2022	5,300	5,870
At 31 March 2023	5,300	3,320

Provisions for doubtful related party debtors amounted to £nil at the balance sheet date (2022 - £nil). The Charity recognised £nil (2022 - £nil) as an expense during the year in respect of bad or doubtful related party debts. There were no outstanding balances or commitments at 31 March 2023 or 2022 with related parties.

Each Trustee manages a charitable Trust as shown above. Each Trust receives an annual donation from the Foundation which can be used to make discretionary donations to any UK registered charity.

There were no other related party transactions in the current or prior year.

23. Results of Subsidiary Companies

The following companies are wholly owned subsidiaries of the Foundation:

Company	Company Number
Fairhood Properties Limited	00712408
Merewood Properties Limited	01539486
Mountbarrow Properties Limited	00591626
Middlerigg Nominees Limited	02298673
Middlerigg Services Limited	00431334

The management company and the property companies transfer 100% of their taxable profits to the Foundation under the Gift Aid arrangements.

The results of the Foundation's subsidiaries are shown in Note 24 on page 28. These results include intragroup transactions of £12,091 (2022 - £10,403) for management services provided by Middlerigg Services Limited to fellow subsidiaries and £29,447 (2022 - £1,988) interest arising on loans with fellow group entities.

All subsidiaries covenant or transfer by means of Gift Aid 100% of their taxable profits to the Foundation. The subsidiaries are involved in the management of investment properties, except Middlerigg Nominees Limited which is a nominee company and Middlerigg Services Limited which is a management services company.

No deferred tax is provided on investment properties held by Fairhood Properties Limited as the availability of indexation reduces any gains to nil. In Mountbarrow Properties Limited no deferred tax is provided on the investment properties. There is a potential deferred tax liability of £112,481 which has not been recognised in the Financial Statements of this Company as there is an enduring Deed of Covenant in place which requires the entire Company's annual taxable profit to be donated to the Foundation and therefore any capital gain on the eventual disposal of the investment properties will not crystallise a corporation tax liability.

All companies are registered and incorporated in England and Wales.

23. Results of Subsidiary Companies	Fairhood Properties Limited		Merewood Properties Limited		Middlerigg Services Limited		Mountbarrow Properties Limited		Total	
	2023 £	2022 £	2023 £	2022 £	2023 £	2022 £	2023 £	2022 £	2023 £	2022 £
Gross income from investment Properties	51,187	51,187	40,833	37,917	-	-	91,310	98,594	183,330	187,698
Management fees / commission	-	-	-	-	49,594	47,459	-	-	49,594	47,459
Other income	-	-	-	-	-	-	-	-	-	-
Interest receivable	-	-	-	-	-	-	29,447	1,988	29,447	1,988
Total income of subsidiaries	**51,187**	**51,187**	**40,833**	**37,917**	**49,594**	**47,459**	**120,757**	**100,582**	**262,371**	**237,145**
Property outgoings	-	-	-	-	-	-	11,907	1,250	11,907	1,250
Administrative expenses	34,541	32,771	15,737	14,955	19,156	18,311	38,914	36,147	108,348	102,184
Interest payable	21,445	1,448	8,002	540	-	-	4,177	282	33,624	2,270
Corporation Tax payable	-	-	-	-	-	-	-	-	-	-
Deeds of Covenant/Gift Aid	-	16,968	17,094	22,422	30,438	29,148	65,759	62,903	113,291	131,441
Total expenses of subsidiaries	**55,986**	**51,187**	**40,833**	**37,917**	**49,594**	**47,459**	**120,757**	**100,582**	**267,170**	**237,145**
Retained profit/(losses)	(4,799)	-		-	-	-	-	-	(4,799)	-
Revaluation of freehold property	-	-	-	(50,000)	-	-	-	(15,000)	-	(65,000)
Release of realised loss on - disposal of investment property	-	-	-	-	-	-	-	-	-	-
Reserves at beginning of year	1,140,296	1,140,296	57,265	107,265	9,360	9,360	3,418,677	3,433,677	4,625,598	4,690,598
Reserves at end of year	**1,135,497**	**1,140,296**	**57,265**	**57,265**	**9,360**	**9,360**	**3,418,677**	**3,418,677**	**4,620,799**	**4,625,598**

The Charitable Company also holds 100% of the share capital in a nominee company, Middlerigg Nominees Limited. This investment has been written down to £nil (2022 - £nil).

24. Subsidiary Companies - total income and expenditure reconciliation note

		2023 £	2022 £
(i)	Total income of subsidiary companies	220,833	224,754
	Plus: Group transactions		
	• Management fee income	12,091	10,403
	• Interest earned	29,447	1,988
	Total income of subsidiary companies before consolidation (note 23)	262,371	237,145
(ii)	Total expenses of subsidiary companies	112,341	93,313
	Plus: Group transactions - deed of covenant/gift aid	113,291	131,441
	• Management fee expenses	12,091	10,403
	• Interest paid	29,447	1,988
	Total expenses of subsidiary companies before consolidation (note 23)	267,170	237,145

25. Post Balance Sheet Events

There were no post balance sheet events.

26. Financial Instruments

The Charity holds a number of financial assets (for example investments, debtors and cash) and financial liabilities (for example creditors) which meet the definition of basic financial instruments under the FRS 102 SORP. Details of the measurement bases, accounting policies and carrying values for these financial assets and liabilities are disclosed in notes 12 to 17 above.

All investments are carried at their fair value. Investments in equities and fixed interest securities are all traded in quoted public markets. Property and equity investments are reviewed regularly to optimise the best financial outcome for The Foundation and its property companies.

HEDLEY FOUNDATION LIMITED

England & Wales - Charity number 262933

Accounts

HEDLEY FOUNDATION LIMITED

A Company Limited by Guarantee

Registered Charity Number: 262933

Registered Company Number: 01018571

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2022

THURSDAY
ABGYSERL
A08 17/11/2022 #321
COMPANIES HOUSE

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Trustees	A C Ford (Chairman) P R Holcroft L B Stuttaford A E Fanshawe D W Byam-Cook C A G Bennett A J Scully
Company Secretary	M C Kitto
Registered Office	1 College Hill London EC4R 2RA
Bankers	Royal Bank of Scotland London Service Centre 4th Floor Regents House 42 Islington High Street London N1 8XL
Independent Auditor	PKF Littlejohn LLP 15 Westferry Circus Canary Wharf London E14 4HD
Investment Managers	Waverton Investment Management Limited 16 Babmaes Street London SW1Y 6AH
Solicitors	Macfarlanes LLP 20 Cursitor Street London EC4A 1LT
Company Registration Number	01018571
Charity Registration Number	262933

The Trustees, who are also the Directors of Hedley Foundation Limited (the Foundation), have pleasure in presenting their Report together with the Financial Statements for the year ended 31 March 2022. The Trustees have adopted the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" ("FRS 102 SORP") in preparing the Annual Report and Financial Statements of the Charity.

Trustees of the Charity

The Directors of the Charitable Company are its Trustees for the purposes of charity law. The Trustees who have served during the year and since the year end are listed on page 1.

Objectives and Activities

The Foundation was established for exclusively charitable purposes. The Foundation manages its assets including its Subsidiary Companies, which together with the Foundation comprise the Group, in order to make grants to UK registered charities out of the Group's income.

The Hedley Foundation aims to improve the quality of life of people in the United Kingdom, particularly those from disadvantaged backgrounds. It achieves this by making grants, within budget, to United Kingdom registered charities for the benefit of young people, disabled people, elderly people, the terminally ill and otherwise disadvantaged people and their carers. The essence of the Foundation's activities is Social Welfare and for convenience the following categories are used:

- **Youth**. Projects which raise the aspirations or help to realise the full potential of disadvantaged young people. Typically, grants are given to support young people into education, training or sustainable employment. Providing an opportunity to broaden horizons through sport and adventurous activities may form part of this category.
- **Disabled**. Projects to support and improve the quality of life of people of all ages with physical and mental disabilities, sensory impairment and learning difficulties.
- **Elderly/Terminally Ill**. Projects to help elderly people to maintain independence and projects to support those in the closing stage of life, in hospices or hospitals.
- **Miscellaneous Support**. Projects to support carers and social welfare projects that might support the homeless, the employability opportunities for offenders and ex-offenders and the opportunity to reduce re-offending.

Details of how to apply for a grant are available on the Foundation's website at www.hedleyfoundation.org.uk

The Trustees award grants to those charities (never individuals) that have submitted applications for funding that would benefit those people outlined in the categories above. The Foundation tends not to give money to very large scale or national charities. Typically, sums of £3K - £5K are given with occasional larger sums granted to charities where high impact can be achieved. Most grants are one-off payments, but multi-year grants might be considered. Further applications from the same organisation would not normally be considered for a period of eighteen months from the date of the grant. Charities that may have submitted an unsuccessful grant may apply again after a six month period. Acknowledgements are expected from the recipient charities and occasional follow-up visits may be made by Trustees.

The Hedley Foundation maintains a small office of part time staff who are capable of managing and reporting all aspects of its activities. The Hedley Foundation's income and thus its ability to support other charities is derived from a professionally managed investment portfolio with Waverton Investment Management, an investment with the Charities Property Fund and from rents generated from a number of retail shops, which are let and managed with the aid of professional advisers.

Applications for grants are submitted to the Foundation, stating clearly the sum they seek and articulating precisely how they would wish to use any grant made. These are all considered carefully. Those most closely aligned with the Foundation's objectives are taken to a Trustees' Sift Board, which discusses each application in detail. Thereafter, recommendations for payments are made to the Main Board of Trustees, which convenes a fortnight later.

Follow-up visits are occasionally made to see the effect that a grant will have made; whilst the Foundation does not have the resources to analyse the success of each grant made the Trustees are generally satisfied that grants are being well used. The Foundation requires the recipient to send a letter of acknowledgement, together with a formal receipt, after receipt of a grant.

Grants were made during FY2021/22 to 173 charities (FY2020/21 - 73) totalling £610,051 (FY2020/21 - £179,092). The Grants Budget increased incrementally, but significantly, through the year as it became clear that rents were being paid in most cases and that some confidence in the economy was returning as the effects of Covid-19 began to fade. However, a cautious approach was maintained by the Trustees throughout the period, mindful of the economic threats posed by low growth, rapidly increasing inflation and the fragile geo-political situation.

Public Benefit

The objectives and activities as listed above are undertaken to further the Foundation's purpose for public benefit. The Trustees confirm that they have had regard to the guidance on public benefit issued by the Charity Commission when considering the objectives and activities of the Foundation.

Structure, Governance and Management

The Foundation was incorporated on 23 July 1971 as a company limited by guarantee and is a registered charity. It is governed by its Memorandum and Articles of Association. The Foundation has no share capital but each member undertakes, in the event of winding up, to contribute up to £1 towards the cost of winding up. At 31 March 2022, there were 7 members of the Foundation, who are also the Trustees and the Directors of the Charitable Company. New Trustees are appointed by the existing Trustees.

The Trustees met formally on four occasions during the year to review the progress of the Foundation's investment policy and its financial state and to conduct Board Meetings of the Subsidiary Companies of which they are Directors..

Trustees have occasionally visited charities to which the Foundation might make or has made grants.

Recommendations for pay and remuneration, including for the key management personnel, are made to a sub Committee of the Trustees and Directors of the Subsidiary Companies (see below). The sub Committee then makes its own recommendations to the full Board of the Foundation which makes the final decision. Recommendations for pay and remuneration take into consideration many benchmarks including the remuneration levels paid by similar Third Sector organisations and the CPI. Formal remuneration has remained unchanged since January 2020, although the Trustees agreed a modest bonus to be paid to three members of staff in December 2021 as a mark of profound appreciation for what they had achieved during the year.

Review of the Business and Future Developments

The results for the year are set out on Page 10 of the Financial Statements. The net movement in funds for the year amounted to a movement of £3,443,761 compared to a movement of £4,314,123 in the prior year.

The following Companies are wholly owned subsidiaries of the Foundation:

Company	Principal Activity
Fairhood Properties Limited	Management of investment properties
Merewood Properties Limited	Management of investment properties
Mountbarrow Properties Limited	Management of investment properties
Middlerigg Nominees Limited	Nominee company
Middlerigg Services Limited	Management services company

The Management Company and the Property Companies transfer 100% of their taxable profits to the Foundation under the Gift Aid arrangements.

The results of the above Companies have been consolidated in the Statement of Financial Activities and Balance Sheet of the Foundation in accordance with the Charities' Statement of Recommended Practice (SORP), Accounting and Reporting by Charities as updated in October 2019. The Trustees consider the results of the investment property companies and management services company to be satisfactory.

Financial instruments

The Foundation does not receive any public or government funding and relies entirely upon its invested assets to provide funding for the making of grants. In order to minimise the investment risk, the Trustees have diversified the range of investments to include UK and global equities, government stocks, retail property and units within the Charities Property Fund.

There has been no outsourced fund raising via professional fundraisers or other third parties. As a result, the charity is not registered with the fundraising regulator and received no fundraising complaints in the year.

Reserves Policy

The Foundation has total funds of £42,561,859 at 31 March 2022 all of which are unrestricted (2021 - £39,118,098). Of these total funds, £43,428,390 could only be realised by disposing of fixed assets (£6,860,000 investment properties, £31,942,792 listed investments and £4,625,598 investment in subsidiaries).

Unrestricted free reserves at the consolidated level at 31 March 2022 are £1,234,067 (2021 - £2,125,182). The Trustees consider the appropriate target level of consolidated free reserves to be twelve months operating expenditure. The current level of consolidated free reserves at 31 March 2022 is in line with this target, representing 12 months of operating and grant-making expenditure.

Investment Policy

The policy of the Foundation is to combine security with higher than average income by investment, partly in let retail property and partly in a managed portfolio of investments.

In respect of the managed globally invested portfolio, the current annual yield is 1.9% (2021 - 2.02%).

In respect of the retail property portfolio, the current annual yield is 7% (2021 - 7%).

In respect of the Charities Property Fund, the current annual yield is 3.5% after costs (2021 - 3.78%)

The rental income derived from the retail properties and the dividends are utilised, after expenses, for the purpose of making grants.

In January 2022, the Trustees conducted a comprehensive performance review of investment portfolio managers and satisfied themselves (at that point in time) that the investment objective of a total return of 4.5% in excess of inflation (as measured by the CPI) over the long-term was achievable. There were four "bidders" for our portfolio and the decision was reached to stay with Waverton Investment Management.

Risk Management

The Trustees consider that sustained low growth, high inflation and international political tensions (that are the cause of high energy costs and erratic supply chains) to be the main threats to global economic stability. By extension these factors pose the main threat to the value of the investment portfolio, to the retail property portfolio and to the value of the units within the Charities Property Fund.

Twice a year the Trustees examine the Risk Register which identifies the major strategic, business and operational risks which face the Foundation and they consider what actions, if any, are required to mitigate them. It is noteworthy that the annual cost base for the Foundation is relatively low, with more than twelve month's running costs being immediately available.

Third Party Indemnity Provisions

The Foundation has purchased professional indemnity insurance on behalf of the Trustees. The premium paid for the insurance was £448 (2021 - £448).

Trustees' Responsibilities

The Statement of Trustees' Responsibilities can be found on page 6.

Audit Information

The Trustees who held office at the date of approval of this Trustees' Report confirm that, so far as they are individually aware, there is no relevant audit information of which the Charity's auditor is unaware; and each Trustee has taken all reasonable steps that he/she ought to have taken as a Trustee to make himself/herself aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

Our independent auditor, PKF Littlejohn LLP, has signified its willingness to continue in office.

By Order of the Board



M C Kitto
Company Secretary

2 November 2022

The Trustees (who are also Directors of the Foundation for the purpose of company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting standards (UK Generally Accepted Accounting Practice).

Company and Charity law requires the Trustees to prepare Financial Statements for each financial year. Under that law the Trustees have prepared the Financial Statements in accordance with the Charities' Statement of Recommended Practice, Accounting and Reporting by Charities issued in July 2015 and United Kingdom Financial Reporting and Accounting Standards. Under company and charity law the Trustees must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of the surplus or deficit of the Charitable Company for that period. In preparing these Financial Statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles of the Charities' SORP, Accounting and Reporting by Charities;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including SORP FRS 102 have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to assume that the Charitable Company will be able to continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006 and Charities Act 2011. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members and Trustees of Hedley Foundation Limited

Opinion

We have audited the financial statements of The Hedley Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise which comprise the Consolidated Statement of Financial Activities (including Income and Expenditure Account), the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2022, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report of the Trustees. Our opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the group and parent charitable company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent charitable company financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts and relevant regulations made or having effect thereunder.

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

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

- We obtained an understanding of the group and parent charitable company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, sector research and application of cumulative audit knowledge and experience.

- We determined the principal laws and regulations relevant to the group and parent charitable company in this regard to be those arising from the Charities Act 2011, Companies Act 2006, Financial Reporting Standard 102, and relevant employee legislation.

- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent charitable company with those laws and regulations. These procedures included, but were not limited to enquiries of management, review of minutes and review of legal and regulatory correspondence.

- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that there was potential for management bias in the valuation of investment properties. We addressed this through review of the valuation reports prepared by management's expert, testing the accuracy and completeness of inputs to their calculation, and challenging any assumptions applied in the valuations for example by agreement to third party metrics.

- We also identified potential for management bias in the judgements made around recoverability of debtors. We addressed this through examination of post year end cash received, review of correspondence with debtors and discussion of recoverability with management.

- We also identified potential for management bias in the allocation of support costs against charitable activity categories. We addressed this through reviewing the method used for reasonableness, and re-performing the calculation to ensure it had been performed accurately in line with the stated method.

- We also identified potential for management bias in the timing of recognition of rental income. We addressed this through detailed review of signed rental agreements, forming an expectation of the level of income to be recognised in the financial year, and comparison to actual.

- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Alastair Duke (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

Date: 15 November 2021

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)
Year ended 31 March 2022

	Note	Unrestricted Funds 2022 £	2021 £
Income from:			
Income from investment properties	1	496,379	389,725
Income from Investment portfolios	2	473,242	552,390
Other trading activities - subsidiary companies	24	224,754	150,526
Other Income		81,000	42,415
Total Income		1,275,375	1,135,056
Expenditure on:			
Raising funds	3	363,868	314,373
Charitable activities	4	687,330	243,098
Other - on charitable trading	24	93,313	98,978
Total Expenditure		1,144,511	656,449
Net income		130,864	478,607
Net realised and unrealised gains on investment assets	13b	3,572,897	4,405,516
Unrealised losses on revaluation of investment properties		(260,000)	(570,000)
Realised gain on sale of investment property		-	-
Net Movement in Funds		3,443,761	4,314,123
Fund balances brought forward		39,118,098	34,803,975
Fund balances carried forward		42,561,859	39,118,098

All of the above results are derived from continuing activities. The Company and its subsidiaries have no gains and losses other than those shown above.

In accordance with the provisions of the Companies Act 2006, a separate Income and Expenditure Account dealing with the results of the Foundation only has not been presented.

The Accounting Policies and Notes on pages 13 to 29 form part of these Financial Statements.

HEDLEY FOUNDATION LIMITED
Company Registration Number 01018571

CONSOLIDATED AND COMPANY BALANCE SHEETS
At 31 March 2022

	Note	Consolidated 2022 £	Consolidated 2021 £	Company 2022 £	Company 2021 £
Fixed Assets					
Investment properties	12	9,385,000	9,645,000	6,860,000	7,055,000
Investments	13	31,942,792	27,347,916	36,568,390	32,038,514
		41,327,792	36,992,916	43,428,390	39,093,514
Current Assets					
Debtors	14	271,337	272,746	468,941	449,283
Cash at bank and in hand	15	1,322,859	2,117,140	1,170,401	2,050,632
		1,594,196	2,389,886	1,639,342	2,499,915
Creditors: amounts falling due within one year	16	(360,129)	(264,704)	(2,505,873)	(2,475,331)
Net Current Assets/ (Liabilities)		1,234,067	2,125,182	(866,531)	24,584
Net Assets		42,561,859	39,118,098	42,561,859	39,118,098
General Funds					
Charitable funds		37,936,261	34,427,500	37,936,261	34,427,500
Non-charitable investment/trading company funds		4,625,598	4,690,598	4,625,598	4,690,598
Total Funds	18	42,561,859	39,118,098	42,561,859	39,118,098

These Financial Statements were approved and authorised for issue by the Board of Trustees on 2 November 2022.

Signed on behalf of the Board of Trustees

A C Ford
Chairman

L B Stuttaford
Trustee

The Accounting Policies and Notes on pages 13 to 29 form part of these Financial Statements.

CONSOLIDATED CASHFLOW STATEMENT
Year ended 31 March 2022

	Note	2022 £	2022 £	2021 £	2021 £
Cash inflow from operating activities	20		227,698		496,654
Net cash flow from operating activities			227,698		496,654
Cash flow from investing activities					
Payments to acquire investment property		-		-	
Receipts from sales of investment property		-		-	
Payments from sale of property		-		-	
Payments to acquire investments		(6,347,631)		(6,163,597)	
Receipts from sales of investments		5,325,652		5,708,232	
Net cash flow used by investing Activities			(1,021,979)		(455,365)
Change in cash and cash equivalents In the year			(794,281)		41,289
Cash and cash equivalents at 1 April 2021			2,117,140		2,075,851
Cash and cash equivalents at 31 March 2022			1,322,859		2,117,140
Cash and cash equivalents consist of:					
Current accounts			162,524		76,627
Deposit accounts			955,110		1,543,113
Cash at Investment Managers			205,225		497,400
Cash and cash equivalents at 31 March 2022			1,322,859		2,117,140

The Accounting Policies and Notes on pages 13 to 29 form part of these Financial Statements.

General information and basis of preparation

The Hedley Foundation is a Charitable Company limited by Guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are charitable grant giving to UK registered charities.

The Charity constitutes a public benefit entity as defined by FRS 102. The Financial Statements have been prepared in accordance with 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) from 1 January 2019 the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019 The Financial Statements have been prepared under the historical cost convention, with the exception of investments, which are included on a market value basis and investment properties, which are included on the basis of annual valuations.

The Financial Statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The Financial Statements are prepared in sterling which is the functional currency of the Charity.

The significant accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going Concern

It is the opinion of the Trustees that the use of the going concern basis of accounting is appropriate. At the time of writing this Report, the Trustees are confident that there is reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future, at least 12 months from the date of approval of these financial statements. As at 31 March 2022, the investment portfolio had recovered to pre-Covid-19 levels and the Charities Property Fund continued to make dividend payments. Similarly, the property portfolio generated a significant rental income; in light of this, the Trustees increased the level of grants being made. The Trustees of The Hedley Foundation are content that the Group remains a going concern.

Basis of Consolidation

The Group Financial Statements consolidate the Financial Statements of The Hedley Foundation Limited and its subsidiary undertakings.

Fund Accounting

General funds, all of which are unrestricted, are available for use at the discretion of the Trustees in furtherance of the general objectives of the Foundation.

Income Recognition

All income and expenditure is shown in the Statement of Financial Activities (SOFA).

Charitable Activities

The Foundation has a portfolio of investment properties generating rental income which is accounted for on a receivable basis.

Investment Income

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Interest income is recognised when receivable and dividend and rent income is recognised as the Foundation's right to receive payment is established.

Other Trading Activities - Subsidiary Companies

Income from trading activities includes income earned from trading activities undertaken by subsidiary companies to raise funds for the Charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred. The gross income of the subsidiaries is shown in the consolidated SOFA.

Expenditure

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes the direct costs of managing the listed investment portfolio;
- Expenditure on charitable activities includes direct expenditure on grant-making activities and support costs which are allocated on a basis consistent with the use of resources; and
- Non-charitable trading and investment property expenses includes the costs of the subsidiary companies which are incurred in relation to these activities.

Grants payable to third parties are included in expenditure on charitable activities. Where unconditional grants are made, these amounts are recognised when a constructive obligation is created, typically when the recipient is notified that a grant will be made to them. Where grants are conditional on performance, then the grant is only recognised once any unfulfilled conditions are outside of the control of the charity.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs and governance costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises costs have been allocated on a business to charity staff time allocation basis. This had been reviewed in September 2016 and subsequently approved by the Trustees.

The analysis of these costs is included in note 5.

Operating Leases

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

Investment Properties

Investment properties are measured at fair value at each balance sheet date, with changes in fair value recognised in 'net gains / (losses) on investments' in the SOFA.

Surpluses and deficits arising on revaluation are taken to revaluation reserves within the Foundation's subsidiary companies (with the movement reflected in the statement of total recognised gains and losses), and to the SOFA on consolidation.

Sales and purchases of investment properties are recognised at the date of exchange, where this is not subject to conditions, as the equitable interest has passed from the vendor to the purchaser at this date. If a contract is conditional, credit for a sale is taken when the last material condition has been satisfied.

Investments

Subsidiary Companies

Investments in Subsidiary Companies are valued annually at the attributable amount of the subsidiaries' net assets at the Balance Sheet date. This is considered by the Trustees to be a fair assessment of their fair value.

Publicly Traded Investments

Publicly traded investments are measured at fair value at each balance sheet date, with changes in fair value recognised in 'net gains / (losses) on investments' in the SOFA.

Taxation

The Foundation is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010. It therefore meets the definition of a charitable company for UK corporation tax purposes.

The Foundation is registered for VAT; irrecoverable VAT (where applicable) is included with the expenditure to which it relates. The Subsidiaries of the Foundation are liable to Corporation Tax on any taxable income not covenanted or transferred by Gift Aid to the Foundation.

Grants

Grants authorised in the period are charged to the SOFA. Any grants authorised but unpaid at the Balance Sheet date are included in creditors. Grants covering more than one period are charged to the SOFA as the money is released and is conditional on receipt of satisfactory progress reports.

Pension Costs

The Foundation operates a pension scheme. Payments made are charged against income in the period in which they are paid.

Judgments in applying accounting policies and key sources of estimation uncertainty

The Foundation makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Judgments in applying accounting policies and key sources of estimation uncertainty (continued)

(i) Impairment of debtors

The Foundation makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 14 for the net carrying amount of the debtors and associated impairment provision.

(ii) Valuation of investment properties

The Foundation makes an estimate of the fair value of investment properties. When assessing the fair value, the Board seeks the help of an expert in this area and considers, amongst other things the expected rental yields, the length of the term of the lease, the valuation of other properties in the immediate vicinity and the condition of the building.

1. Income from Investment Properties

	Company 2022 £	Company 2021 £
Rental Income	496,379	389,725

2. Income from Investments

	Group 2022 £	Group 2021 £
Income from Managed Portfolio	220,472	328,826
Interest	602	572
Other investment income	252,168	222,992
	473,242	552,390

Other investment income relates to income from investments held in managed funds outside of the main investment portfolio.

3. Expenditure on Raising Funds

	Group 2022 £	Group 2021 £
Management of investment properties	189,200	156,706
Investment management fees	174,668	157,667
	363,868	314,373

4. Analysis of Expenditure on Charitable Activities

	Staff £	Direct costs £	Support costs £	Group 2022 Total £	Group 2021 Total £
Grant making	21,698	610,051	55,581	687,330	243,098
Prior year					
Grant making	21,068	179,091	42,939	243,098	

5. Support Costs	Basis of Allocation	Investment Properties £	Grant Making £	Total 2022 £	Total 2021 £
Governance costs (note 6)	71%-29%	70,595	28,835	99,430	47,000
Office costs	71%-29%	10,119	4,132	14,251	17,142
Premises & Maintenance	71%-29%	55,363	22,614	77,977	83,922
		136,077	55,581	191,658	148,064
Prior year					
Governance costs	71%-29%	33,370	13,630	47,000	
Office costs	71%-29%	12,171	4,971	17,142	
Premises	71%-29%	59,585	24,337	83,922	
		105,126	42,938	148,064	

6. Governance Costs	Group 2022 £	Group 2021 £
Business Rates	4,420	4,420
Insurance	1,971	1,815
Accountancy Fees	8,263	8,145
Professional Fees	83,351	31,395
Bank Charges	1,425	1,225
	99,430	47,000

7. Analysis of Grants

	Grants to Institutions £	Grants to Individuals £	Total 2022 £	Total 2021 £
Youth category grants (Y)	184,592	-	184,592	60,791
The Disabled category grants (D)	206,370	-	206,370	76,184
The Terminally ill and Hospices (ETH)	93,489	-	93,489	29,128
Other category grants (O)	125,600	-	125,600	12,989
	610,051	-	610,051	179,092

No grants were paid to individuals in the prior year.

Recipients of Grants	Grant Making £	Total 2022 £	Total 2021 £
DEC - Ukraine (O)	10,000	10,000	-
Other grants payable	600,051	600,051	179,092
Total grants payable	610,051	610,051	179,092

Others grants payable includes grants payable to UK registered charities which are each under £10,000.

8. **Net Income is stated after Charging:**

		Group 2022 £	Group 2021 £
Auditor's remuneration	- audit	19,320	18,950
	- other services	5,000	4,920
Operating leases	- land and buildings	61,843	61,843
	- other	838	838
Loss on fair value movement of investment property		(260,000)	(570,000)
Gain on fair value movement of investment portfolio		3,572,897	4,405,516

9. **Auditor's Remuneration**

Auditor's remuneration amounts to an audit fee of £19,320 (2021 - £18,950) and fees payable for iXBRL tagging, corporation tax compliance and VAT Compliance in relation to the Subsidiary Companies of £5,000 (2021 - £4,920).

10. **Staff Costs**

	2022 £	2021 £
Wages and salaries	138,937	136,954
Social security costs	6,834	6,383
Pension costs - employer's pension	1,419	1,419
	147,190	144,756

The average number of employees during the year, excluding Trustees, was 3 (2021 - 3). This equates to a full time equivalent number of 2 (2021 - 2).

No employees received total employee benefits (excluding employer pension costs) of more than £60,000.

11. Trustees' and Key Management Personnel Remuneration and Expenses

	2022 Number	2021 Number
The number of Company Directors in receipt of emoluments	1	1

Payment of emoluments by the Subsidiary Companies to named Directors (who are also Trustees of the Foundation) is made in relation to management and professional services provided to these Companies.

Sir Andrew Ford is a Company Director of Fairhood Properties Limited for which he is paid a salary of £22,500, Middlerigg Services Limited, for which he is paid a salary of £12,000 and Mountbarrow Properties Limited for which he is paid a salary of £25,500 per annum. Payments are approved under Charity Commission Order 462/98 sealed on 21 December 1998.

The following Trustees' expenses were reimbursed or paid directly on their behalf during the year:

	2022 Number	2021 Number	2022 £	2021 £
Travel	-	-	-	-

The total amount of employee benefits received by key management personnel during the year was £72,648 (2021 - £70,623). The Trust considers its key management personnel to comprise of:

Mary Kitto: Company Secretary
Lucy Janes: Appeals Secretary
Christine Janes: Financial Accountant

12. Investment Properties

Valuation	Group freehold land and buildings 2022 £	Group freehold land and buildings 2021 £	Company freehold land and buildings 2022 £	Company freehold land and buildings 2021 £
At beginning of year	9,645,000	10,215,000	7,055,000	7,625,000
Additions at cost	-	-	-	-
Disposal in year	-	-	-	-
Capitalised Improvements	-	-	-	-
(Loss) on revaluation	(260,000)	(570,000)	(195,000)	(570,000)
At end of year	9,385,000	9,645,000	6,860,000	7,055,000

The investment properties had an original cost of £11,750,188 (2021 - £11,750,188) (Group), and £9,625,263 (2021 - £9,625,263) (Company). The fair value of investment properties is determined by independent, professional valuation at 31 March 2022. The valuation was undertaken by Clive Thomas of Clive Thomas & Co Chartered Surveyors, in conjunction with Robin Hanson of Brackenridge Hanson Tate, Chartered Surveyors and Property Consultants. Both Messrs Thomas and Hanson are Fellows of the Royal Institute of Chartered Surveyors. The exercise was carried out on a "desk top" valuation basis, which takes into consideration the location, the valuation of other properties in the immediate vicinity of the building, the condition of the building and the expected rental yields. Valuations are undertaken annually.

13. Fixed Asset Investments

	2022 £	2021 £	2022 £	2021 £
	Group		Company	
Investment in subsidiary undertakings	-	-	4,625,598	4,690,598
Listed investments	31,942,792	27,347,916	31,942,792	27,347,916
	31,942,792	27,347,916	36,568,390	32,038,514

Details of the subsidiary undertakings can be found in Note 24.

13a. **Fixed Asset Investments**

	Company £
Investment in Subsidiary Undertakings	
Valuation at beginning of year	4,690,598
Movement in year	(65,000)
Valuation at end of year	4,625,598

These Financial Statements incorporate the results of all the Foundation's subsidiaries, which are listed in Note 23. All the subsidiaries are incorporated in England & Wales and are wholly owned at 31 March 2022.

13b. **Fixed Asset Investments**

	2022 £	2022 £	2021 £	2021 £
Listed Investments	**Group and Company**		**Group and Company**	
Market value at beginning of year		27,347,916		22,487,035
Additions at cost		6,347,631		6,163,597
Disposal proceeds		(5,325,652)		(5,708,232)
Net investment gains				
- unrealised gains / (losses) on revaluation	2,428,463		3,209,352	
- realised gains on disposal	1,144,434		1,196,164	
		3,572,897		4,405,516
Market value at end of year		31,942,792		27,347,916

Listed Investments

	2022 £	2021 £
UK equity shares	11,633,070	8,974,255
Overseas equities	20,309,722	18,373,661
Market value of listed investments	31,942,792	27,347,916

The fair value of listed investments is determined by reference to the quoted price for identical assets in an active market at the balance sheet date. The Charities Property Fund market value of £7,343,214 is 22.99% of the total investments.

14. Debtors

	2022	2021	2022	2021
	£	£	£	£
	Group		Company	
Amounts owed by subsidiary undertakings - deeds of covenant/gift aid	-	-	126,285	58,706
Amounts owed by subsidiary undertakings - other	-	-	206,122	205,840
Prepayments and accrued income	271,337	272,746	136,534	184,737
	271,337	272,746	468,941	449,283

15. Cash at Bank and in Hand

Deposit accounts	955,110	1,263,695	955,110	1,263,695
Current accounts	162,524	356,045	10,066	289,537
Cash at Investment Managers	205,225	497,400	205,225	497,400
	1,322,859	2,117,140	1,170,401	2,050,632

16. Creditors: amounts falling due within one year

Amounts owed to subsidiary undertakings	-	-	2,298,000	2,298,000
Taxation and social security costs	-	-	-	-
Accruals and deferred income (see note 17)	99,302	84,692	73,331	70,595
Other creditors	260,827	180,012	134,542	106,736
	360,129	264,704	2,505,873	2,475,331

The amounts owed to subsidiary undertakings are unsecured and repayable on demand. Interest is charged at the same rate of interest as that received by the Foundation for funds held in COIF.

17. Deferred Income

	2022	2021	2022	2021
	£	£	£	£
	Group		Company	
At 1 April 2021	27,164	41,980	8,453	23,269
Additions during the year	19,880	47,110	19,880	35,569
Amounts released	(23,590)	(61,926)	(23,590)	(50,385)
At 31 March 2022	23,454	27,164	4,743	8,453

Income has been deferred in relation to rents received quarterly in advance. All deferred income relates to a period of less than one year.

18. Fund Reconciliation

	Balance at beginning of year £	Income £	Expenditure £	Net Investment gains/ (losses) £	Balance at end of year £
Company Funds	39,118,098	1,182,062	(1,051,198)	3,312,897	42,561,859
Subsidiary companies' funds	4,690,598	237,145	(237,145)	(65,000)	4,625,598
Consolidation adjustments	(4,690,598)	(143,832)	143,832	65,000	(4,625,598)
Group Funds	39,118,098	1,275,375	(1,144,511)	3,312,897	42,561,859

The Company's net income before gains/(losses) for the year ended 31 March 2022 amounted to £65,864. Details of the consolidation adjustments can be found in note 25.

19. Operating Lease Commitments - Company and Group

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2022		2021	
	Land and buildings	Others	Land and buildings	Others
Not later than one year	62,820	950	62,820	950
Later than one but not later than five years	62,820	714	62,820	714
	125,640	1,664	125,640	1,664

As at 31 March 2022 there were Grant commitments of £Nil.

20. Reconciliation of net income to net cash flow from Operating Activities

	2022 £	2021 £
Net income for year	3,443,761	4,314,123
Gains on investment portfolio	(3,572,897)	(4,405,516)
Losses on revaluation of investment property	260,000	570,000
Decrease / (increase) in debtors	1,409	(87,968)
Increase in creditors	95,425	106,015
Net Cash Inflow from Operating Activities	227,698	496,654

21. Pensions

Defined contribution pension - Employer pension plan

The Foundation operates a defined contribution employer pension plan for its employees. The amount of contributions recognised as an expense during the year was £1,419 (2021 - £1,419).

22. Related Party Transactions

During the year the Foundation made grant payments of £34,100 (2021 - £Nil) to 7 (2021 - 7) charities where one or more of the Foundation's Trustees also served as Trustees of the beneficiary charities:

	Income £	Expenditure £
The Lockie Trust (Trustee: Angus Fanshawe)		
At 31 March 2021	-	1,800
At 31 March 2022	5,300	3,500
The Phoenix Cottage Trust (Trustee: David Byam-Cook)		
At 31 March 2021	-	750
At 31 March 2022	5,300	6,250
The Ravensword Trust (Trustee: Patrick Holcroft)		
At 31 March 2021	-	3,950
At 31 March 2022	5,300	2,500
The Sant Trust (Trustee: Lorna Stuttaford)		
At 31 March 2021	-	6,600
At 31 March 2022	5,300	3,500
The Tristenagh Trust (Trustee: Andrew Ford)		
At 31 March 2021	-	2,157
At 31 March 2022	2,300	2,230
The Shearwater Trust (Trustee: Charles Bennett)		
At 31 March 2021	-	5,050
At 31 March 2022	5,300	4,700
The Ringford Trust (Trustee: Alexander Scully)		
At 31 March 2021	-	300
At 31 March 2022	5,300	5,870

Provisions for doubtful related party debtors amounted to £nil at the balance sheet date (2021 - £nil). The Charity recognised £nil (2021 - £nil) as an expense during the year in respect of bad or doubtful related party debts. There were no outstanding balances or commitments at 31 March 2022 or 2021 with related parties.

Each Trustee manages a charitable Trust as disclosed above. Each Trust receives an annual donation from the Foundation which can be used to make discretionary donations to any UK registered charity. However, due to the effects of the pandemic and the decrease in the grants budget during the year, no donations were made to these Trusts.

There were no other related party transactions in the current or prior year.

23. Results of Subsidiary Companies

The following companies are wholly owned subsidiaries of the Foundation:

Company	Company Number
Fairhood Properties Limited	00712408
Merewood Properties Limited	01539486
Mountbarrow Properties Limited	00591626
Middlerigg Nominees Limited	02298673
Middlerigg Services Limited	00431334

The management company and the property companies transfer 100% of their taxable profits to the Foundation under the Gift Aid arrangements.

The results of the Foundation's subsidiaries are shown in Note 24 on page 28. These results include intragroup transactions of £10,403 (2021 - £12,368) for management services provided by Middlerigg Services Limited to fellow subsidiaries and £1,988 (2021 - £1,529) interest arising on loans with fellow group entities.

All subsidiaries covenant or transfer by means of Gift Aid 100% of their taxable profits to the Foundation. The subsidiaries are involved in the management of investment properties, except Middlerigg Nominees Limited which is a nominee company and Middlerigg Services Limited which is a management services company.

No deferred tax is provided on investment properties held by Fairhood Properties Limited as the availability of indexation reduces any gains to nil. In Mountbarrow Properties Limited no deferred tax is provided on the investment properties. There is a potential deferred tax liability of £112,481 which has not been recognised in the Financial Statements of this Company as there is an enduring Deed of Covenant in place which requires the entire Company's annual taxable profit to be donated to the Foundation and therefore any capital gain on the eventual disposal of the investment properties will not crystallise a corporation tax liability.

All companies are registered and incorporated in England and Wales.

23. Results of Subsidiary Companies	Fairhood Properties Limited		Merewood Properties Limited		Middlerigg Services Limited		Mountbarrow Properties Limited		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	£	£	£	£	£	£	£	£	£	£
Gross income from investment Properties	37,917	18,516	51,187	29,312	-	-	98,594	64,928	187,698	112,756
Management fees / commission	-	-	-	-	47,459	50,138	-	-	47,459]	50,138
Other income	-	-	-	-	-	-	-	-	-	-
Interest receivable	-	-	-	-	-	-	1,988	1,529	1,988	1,529
Total income of subsidiaries	**37,917**	**18,516**	**51,187**	**29,312**	**47,459**	**50,138**	**100,582**	**66,457**	**237,145**	**164,423**
Property outgoings	-	7,765	-	-	-	-	1,250	-	1,250	7,765
Administrative expenses	14,955	15,576	32,771	33,164	18,311	17,872	36,147	36,572	102,184	103,364
Interest payable	540	415	1,448	1,114	-	-	282	217	2,270	1,746
Corporation Tax payable	-	-	-	-	-	-	-	-	-	-
Deeds of Covenant/Gift Aid	22,422	-	16,968	-	29,148	32,266	62,903	29,668	131,441	61,934
Total expenses of subsidiaries	**37,917**	**23,936**	**51,187**	**34,278**	**47,459**	**50,138**	**100,582**	**66,457**	**237,145**	**174,809**
Retained profit/(losses)	-	(5,420)	-	(4,966)	-	-	-	-	-	(10,386)
Revaluation of freehold property	(50,000)	-	-	-	-	-	(15,000)	-	(65,000)	-
Release of realised loss on - disposal of investment property	-	-	-	-	-	-	-	-	-	-
Reserves at beginning of year	107,265	112,685	1,140,296	1,145,262	9,360	9,360	3,433,677	3,433,677	4,690,598	4,700,984
Reserves at end of year	**57,265**	**107,265**	**1,140,296**	**1,140,296**	**9,360**	**9,360**	**3,418,677**	**3,433,677**	**4,625,598**	**4,690,598**

The Charitable Company also holds 100% of the share capital in a nominee company, Middlerigg Nominees Limited. This investment has been written down to £nil (2021 - £nil).

24. Subsidiary Companies - total income and expenditure reconciliation note

	2022 £	2021 £
(i) Total income of subsidiary companies	224,754	150,526
Plus: Group transactions		
• Management fee income	10,403	12,368
• Interest earned	1,988	1,529
Total income of subsidiary companies before consolidation (note 23)	237,145	164,423
(ii) Total expenses of subsidiary companies	93,313	98,978
Plus: Group transactions - deed of covenant/gift aid	131,441	61,934
• Management fee expenses	10,403	12,368
• Interest paid	1,988	1,529
Total expenses of subsidiary companies before consolidation (note 23)	237,145	174,809

25. Post Balance Sheet Events

There were no post balance sheet events.

26. Financial Instruments

The Charity holds a number of financial assets (for example investments, debtors and cash) and financial liabilities (for example creditors) which meet the definition of basic financial instruments under the FRS 102 SORP. Details of the measurement bases, accounting policies and carrying values for these financial assets and liabilities are disclosed in notes 12 to 17 above.

All investments are carried at their fair value. Investments in equities and fixed interest securities are all traded in quoted public markets. Property and equity investments are reviewed regularly to optimise the best financial outcome for The Foundation and its property companies.

HEDLEY FOUNDATION LIMITED

England & Wales - Charity number 262933

Accounts

HEDLEY FOUNDATION LIMITED

A Company Limited by Guarantee

Registered Charity Number: 262933

Registered Company Number: 01018571

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2021

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Trustees	A C Ford (Chairman) P R Holcroft L B Stuttaford A E Fanshawe D W Byam-Cook C A G Bennett A J Scully
Company Secretary	M C Kitto
Registered Office	1 College Hill London EC4R 2RA
Bankers	Royal Bank of Scotland London Service Centre 4th Floor Regents House 42 Islington High Street London N1 8XL
Independent Auditor	PKF Littlejohn LLP 15 Westferry Circus Canary Wharf London E14 4HD
Investment Managers	Waverton Investment Management Limited 16 Babmaes Street London SW1Y 6AH
Solicitors	Macfarlanes LLP 20 Cursitor Street London EC4A 1LT
Company Registration Number	01018571
Charity Registration Number	262933

The Trustees, who are also the Directors of Hedley Foundation Limited (the Foundation), have pleasure in presenting their Report together with the Financial Statements for the year ended 31 March 2021. The Trustees have adopted the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" ("FRS 102 SORP") in preparing the Annual Report and Financial Statements of the Charity.

Trustees of the Charity

The Directors of the Charitable Company are its Trustees for the purposes of charity law. The Trustees who have served during the year and since the year end are listed on page 1.

Objectives and Activities

The Foundation was established for exclusively charitable purposes. The Foundation manages its assets including its Subsidiary Companies, which together with the Foundation comprise the Group, in order to make grants to UK registered charities out of the Group's income.

The Hedley Foundation aims to improve the quality of life of people in the United Kingdom, particularly those from disadvantaged backgrounds. It achieves this by making grants, within budget, to United Kingdom registered charities for the benefit of young people, disabled people, elderly people, the terminally ill and otherwise disadvantaged people and their carers.

The Trustees award grants to those charities (never individuals) that are able to demonstrate quantifiable outcomes to beneficiaries. The Foundation tends not to give money to very large scale or national charities nor to support bids for salaries, buildings or IT. Typically, sums of £3K - £5K are regularly given with occasional larger sums granted to charities where high impact can be achieved. Most grants are one-off payments, but multi-year grants may be selectively awarded and in these cases are subject to annual review. Further applications from the same organisation would not normally be considered for a period of two years from the date of the grant. Acknowledgements are expected from the recipient charities and follow-up visits by Trustees occur periodically.

The Hedley Foundation maintains a small office of part time staff who are capable of managing and reporting all aspects of its activities. The Hedley Foundation's income and thus its ability to support other charities is derived from a professionally managed investment portfolio with Waverton Investment Management, an investment with the Charities Property Fund and from rents generated from a number of retail shops, which are let and managed with the aid of professional advisers. Applications for grants are submitted to the Foundation's Office and these are periodically considered at a Trustees' Sift Board, which makes recommendations for payments to the Main Board of Trustees, which convenes a fortnight later.

Social welfare lies at the heart of The Hedley Foundation's activities and for convenience the following categories are used:

- Youth. Projects which raise the aspirations or help to realise the full potential of disadvantaged young people. Typically, grants are given to support young people into education, training or sustainable employment. Providing an opportunity to broaden horizons through sport and adventurous activities may form part of this category.
- Disabled. Projects to support and improve the quality of life of people of all ages with physical and mental disabilities, sensory impairment and learning difficulties.
- Elderly/Terminally Ill. Projects to help elderly people to maintain independence and projects to support those in the closing stage of life, in hospices or hospitals.
- Miscellaneous Support. Projects to support carers and social welfare projects that might support the homeless, the employability opportunities for offenders and ex-offenders and the opportunity to reduce re-offending. A major theme for support, presently, is to help keep young people out of the Criminal Justice System.

Details of how to apply for a grant are available on the Foundation's website at www.hedleyfoundation.org.uk

Applicants submit a detailed application form, stating clearly the sum they seek and articulating precisely how they would wish to use any grant made. They also are asked to provide their latest audited Accounts.

At least two of the Trustees then assess the bid at a Sift Board and make recommendations to the Main Board of Trustees. The Foundation encourages successful applicants to give feedback and future relationships may be developed. Follow-up visits are occasionally made to see the effect that a grant will have made but clearly the Foundation does not have the resources to carry out detailed analysis of the success of all grants made; the Trustees are generally satisfied that grants are being well used. The Foundation requires the recipient to send a letter of acknowledgement, together with a formal receipt, after the making of any grant.

Grants were made during the year to 73 charities (2020 - 273) totalling £179,092 (2020 - £678,397). Mindful of the economic uncertainty being caused by the effects of Covid-19 and in particular the likely impact that they would have on our tenants' ability to pay rents, the Trustees downwardly adjusted the grants budget that had been previously set at £700k. Grants were paused for the first two quarters, resuming in October, as the economic situation became clearer. Greater focus then was given to making donations where possible to smaller charities where funding had dried up. Approximately 30% of The Hedley Foundation's revised grants budget was given to 30 charities that were being heavily impacted by the effects of Covid-19.

Public Benefit

The objectives and activities as listed above are undertaken to further the Foundation's purpose for public benefit. The Trustees confirm that they have had regard to the guidance on public benefit issued by the Charity Commission when considering the objectives and activities of the Foundation.

Structure, Governance and Management

The Foundation was incorporated on 23 July 1971 as a company limited by guarantee and is a registered charity. It is governed by its Memorandum and Articles of Association. The Foundation has no share capital but each member undertakes, in the event of winding up, to contribute up to £1 towards the cost of winding up. At 31 March 2021, there were 7 members of the Foundation, who are also the Trustees and the Directors of the Charitable Company. New Trustees are appointed by the existing Trustees.

The Trustees met formally on four occasions during the year to review the progress of the Foundation's investment policy and its financial state and to conduct Board Meetings of the Subsidiary Companies of which they are Directors. Applications for grants received by the Foundation and decisions on the application of the money available are administered by a separate 'Sift' Board, incorporating an element of rotating membership, which meets prior to each full meeting of all the Trustees.

Trustees have occasionally visited charities to which the Foundation might make or has made grants.

Recommendations for pay and remuneration are made to a sub Committee of the Trustees and Directors of the Subsidiary Companies (see below). The sub Committee then makes its own recommendations to the full Board of The Foundation which makes the final decision. Recommendations for pay and remuneration take into consideration many benchmarks including the remuneration levels paid by similar Third Sector organisations and the CPI.

Review of the Business and Future Developments

The results for the year are set out on page 10 of the Financial Statements. The net movement in funds for the year amounted to a movement of £4,314,123 compared to a movement of (£1,784,941) in the prior year.

The following Companies are wholly owned subsidiaries of the Foundation:

Company	Principal Activity
Fairhood Properties Limited	Management of investment properties
Merewood Properties Limited	Management of investment properties
Mountbarrow Properties Limited	Management of investment properties
Middlerigg Nominees Limited	Nominee company
Middlerigg Services Limited	Management services company

The Management Company and the Property Companies transfer 100% of their taxable profits to the Foundation under the Gift Aid arrangements.

The results of the above Companies have been consolidated in the Statement of Financial Activities and Balance Sheet of the Foundation in accordance with the Charities' Statement of Recommended Practice (SORP), Accounting and Reporting by Charities as updated in October 2019. The Trustees consider the results of the investment property companies and management services company to be satisfactory.

Financial instruments

The Foundation does not receive any public or government funding and relies entirely upon its invested assets to provide funding for the making of grants. However, during the pandemic, the Foundation was successful in receiving a £10k City of London grant to assist with its general ongoing business costs. In order to minimise the investment risk, the Trustees have diversified the range of investments to include UK and global equities, government stocks, retail property and units within the Charities Property Fund.

Reserves Policy

The Foundation has total funds of £39,118,098 at 31 March 2021 all of which are unrestricted. Of these total funds, £39,093,514 could only be realised by disposing of fixed assets (£7,055,000 investment properties, £27,347,916 listed investments and £4,690,598 investment in subsidiaries).

Unrestricted free reserves at the consolidated level at 31 March 2021 are £2,125,180. The Trustees consider the appropriate target level of consolidated free reserves to be twelve months operating expenditure. The current level of consolidated free reserves at 31 March 2021 is in line with this target, representing 21 months of operating and grant-making expenditure.

Investment Policy

The policy of the Foundation is to combine security with higher than average income by investment, partly in let retail property and partly in a managed portfolio of investments.

In respect of the managed portfolio, the current annual yield is 2.02% (2020 - 2.4%).

In respect of the retail property portfolio, the current annual yield is 7% (2020 - 7%).

In respect of the Charities Property Fund, the current annual yield is 3.78% after costs (2020 - 1.58%)

The rental income derived from the retail properties and the dividends are utilised, after expenses, for the Foundation's grant-making process.

Risk Management

The Trustees have examined the major strategic, business and operational risks which the Foundation faces and confirm that systems have been established to mitigate the Foundation's exposure to such risks. The annual cost base for the Foundation is relatively low, with more than twelve month's running costs available.

The Trustees consider that a significant fall in the value of the stock market, and the failure of tenants to pay their rents, are the key risks which could affect the future ability of The Foundation to make grants. Due to the unprecedented effect of Covid-19 at the end of March 2020 with the closure of all high street shops and retail outlets, the Trustees decided to take a cautious view and withheld the making of grants in the first two quarters of the year and to carefully monitor the situation going forward.

Subsequently, in light of the improving economic situation and the increasing demand for charitable support, the Trustees resumed the making of donations and therefore a total of £179k was granted across the final two quarters of the year.

Third Party Indemnity Provisions

The Foundation has purchased professional indemnity insurance on behalf of the Trustees. The premium paid for the insurance was £448 (2020 - £448).

Trustees' Responsibilities

The Statement of Trustees' Responsibilities can be found on page 6.

Audit Information

The Trustees who held office at the date of approval of this Trustees' Report confirm that, so far as they are individually aware, there is no relevant audit information of which the Charity's auditor is unaware; and each Trustee has taken all reasonable steps that he/she ought to have taken as a Trustee to make himself/herself aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

Our independent auditor, PKF Littlejohn LLP, has signified its willingness to continue in office.

By Order of the Board



M C Kitto
Company Secretary

27 October 2021

The Trustees (who are also Directors of the Foundation for the purpose of company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting standards (UK Generally Accepted Accounting Practice).

Company and Charity law requires the Trustees to prepare Financial Statements for each financial year. Under that law the Trustees have prepared the Financial Statements in accordance with the Charities' Statement of Recommended Practice, Accounting and Reporting by Charities issued in July 2015 and United Kingdom Financial Reporting and Accounting Standards. Under company and charity law the Trustees must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of the surplus or deficit of the Charitable Company for that period. In preparing these Financial Statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles of the Charities' SORP, Accounting and Reporting by Charities;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including SORP FRS 102 have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to assume that the Charitable Company will be able to continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006 and Charities Act 2011. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members and Trustees of Hedley Foundation Limited

Opinion

We have audited the financial statements of The Hedley Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise which comprise the Consolidated Statement of Financial Activities (including Income and Expenditure Account), the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2021, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report of the Trustees. Our opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the group and parent charitable company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent charitable company financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts and relevant regulations made or having effect thereunder.

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

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

- We obtained an understanding of the group and parent charitable company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, sector research and application of cumulative audit knowledge and experience.

- We determined the principal laws and regulations relevant to the group and parent charitable company in this regard to be those arising from the Charities Act 2011, Companies Act 2006, Financial Reporting Standard 102, and relevant employee legislation.

- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent charitable company with those laws and regulations. These procedures included, but were not limited to enquiries of management, review of minutes and review of legal and regulatory correspondence.

- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that there was potential for management bias in the valuation of investment properties. We addressed this through review of the valuation reports prepared by management's expert, testing the accuracy and completeness of inputs to their calculation, and challenging any assumptions applied in the valuations for example by agreement to third party metrics.

- We also identified potential for management bias in the judgements made around recoverability of debtors. We addressed this through examination of post year end cash received, review of correspondence with debtors and discussion of recoverability with management.

- We also identified potential for management bias in the allocation of support costs against charitable activity categories. We addressed this through reviewing the method used for reasonableness, and re-performing the calculation to ensure it had been performed accurately in line with the stated method.

- We also identified potential for management bias in the timing of recognition of rental income. We addressed this through detailed review of signed rental agreements, forming an expectation of the level of income to be recognised in the financial year, and comparison to actual.

- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Alastair Duke (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

Date: 7 December 2021

PKF Littlejohn LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006

HEDLEY FOUNDATION LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)
Year ended 31 March 2021

	Note	Unrestricted Funds 2021 £	Unrestricted Funds 2020 £
Income from:			
Income from investment properties	1	389,725	537,145
Income from Investment portfolios	2	552,390	505,072
Other trading activities - subsidiary companies	24	150,526	238,395
Other Income		42,415	60,848
Total Income		1,135,056	1,341,460
Expenditure on:			
Raising funds	3	314,373	365,591
Charitable activities	4	243,098	756,570
Other - on charitable trading	24	98,978	91,508
Total Expenditure		656,449	1,213,669
Net income / (expenditure)		478,607	127,791
Net realised and unrealised gains / (loss) on investment assets	13b	4,405,516	(1,059,335)
Unrealised losses on revaluation of investment properties		(570,000)	(2,304,964)
Realised gain on sale of investment property		-	1,451,567
Net Movement in Funds		4,314,123	(1,784,941)
Fund balances brought forward		34,803,975	36,588,916
Fund balances carried forward		39,118,098	34,803,975

All of the above results are derived from continuing activities. The Company and its subsidiaries have no gains and losses other than those shown above.

In accordance with the provisions of the Companies Act 2006, a separate Income and Expenditure Account dealing with the results of the Foundation only has not been presented.

The Accounting Policies and Notes on pages 13 to 28 form part of these Financial Statements.

HEDLEY FOUNDATION LIMITED
Company Registration Number 01018571

CONSOLIDATED AND COMPANY BALANCE SHEETS
At 31 March 2021

	Note	Consolidated 2021 £	Consolidated 2020 £	Company 2021 £	Company 2020 £
Fixed Assets					
Investment properties	12	9,645,000	10,215,000	7,055,000	7,625,000
Investments	13	27,347,916	22,487,032	32,038,514	27,188,016
		36,992,916	32,702,032	39,093,514	34,813,016
Current Assets					
Debtors	14	272,746	184,779	449,283	502,913
Cash at bank and in hand	15	2,117,140	2,075,851	2,050,632	2,072,488
		2,389,886	2,260,630	2,499,915	2,575,401
Creditors: amounts falling due within one year	16	(264,704)	(158,687)	(2,475,331)	(2,584,442)
Net Current Assets/ (Liabilities)		2,125,182	2,101,943	24,584	(9,041)
Net Assets		39,118,098	34,803,975	39,118,098	34,803,975
General Funds					
Charitable funds		34,427,500	30,102,991	34,427,500	30,102,991
Non-charitable investment/trading company funds		4,690,598	4,700,984	4,690,598	4,700,984
Total Funds	18	39,118,098	34,803,975	39,118,098	34,803,975

These Financial Statements were approved and authorised for issue by the Board of Trustees on 27 October 2021.

Signed on behalf of the Board of Trustees

A C Ford
Chairman

A E Fanshawe
Trustee

The Accounting Policies and Notes on pages 13 to 28 form part of these Financial Statements.

HEDLEY FOUNDATION LIMITED

CONSOLIDATED CASHFLOW STATEMENT
Year ended 31 March 2021

	Note	2021		2020	
		£	£	£	£
Cash (outflow) / inflow from operating activities	20		496,654		(45,804)
Net cash flow used in operating activities			496,654		(45,804)
Cash flow from investing activities					
Payments to acquire investment property		-		(19,122)	
Receipts from sales of investment property		-		3,000,000	
Payments from sale of property		-		(48,433)	
Payments to acquire investments		(6,163,597)		(12,111,296)	
Receipts from sales of investments		5,708,232		9,246,377	
Net cash flow provided by investing Activities			(455,365)		67,526
Change in cash and cash equivalents In the year					21,722
Cash and cash equivalents at 1 April 2020			2,075,851		2,054,129
Cash and cash equivalents at 31 March 2021			2,117,140		2,075,851
Cash and cash equivalents consist of:					
Current accounts			76,627		65,640
Deposit accounts			1,543,113		443,694
Cash at Investment Managers			497,400		1,566,517
Cash and cash equivalents at 31 March 2021			2,117,140		2,075,851

The Accounting Policies and Notes on pages 13 to 28 form part of these Financial Statements.

General information and basis of preparation

The Hedley Foundation is a Charitable Company limited by Guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are charitable grant giving to UK registered charities.

The Charity constitutes a public benefit entity as defined by FRS 102. The Financial Statements have been prepared in accordance with 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) from 1 January 2019 the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019 The Financial Statements have been prepared under the historical cost convention, with the exception of investments, which are included on a market value basis and investment properties, which are included on the basis of annual valuations.

The Financial Statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The Financial Statements are prepared in sterling which is the functional currency of the Charity.

The significant accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going Concern

It is the opinion of the Trustees that the use of the going concern basis of accounting is appropriate. However due to the unprecedented effects of Covid-19 and the effect it had on the rental income from the commercial properties, the Trustees continually reviewed the situation. At the time of writing this Report, the Trustees are confident that there is reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. As at 31 March 2021, both the investment portfolio and the holding in the Charities Property Fund decreased in value, as a consequence of the uncertainty surrounding Covid-19. Since then, the investment portfolio has recovered to pre-Covid-19 levels and continues to perform well. The Charities Property Fund continues to make dividend payments. With regard to the property portfolio, the political decision to close the High Street in March 2020 impacted on rental income. In the year ending 31 March 2021, the rental income received was £389k; in light of this, the Trustees decided to reduce the level of grants being made. However, at the time of writing, the Trustees are pleased to report that all of the Group's retail properties are occupied and trading, and it is anticipated that rental income will be approximately £700k in this financial year, thus giving comfort that grants can be maintained. The Trustees of The Hedley Foundation are content that the Group remains a going concern.

Basis of Consolidation

The Group Financial Statements consolidate the Financial Statements of The Hedley Foundation Limited and its subsidiary undertakings.

Fund Accounting

General funds, all of which are unrestricted, are available for use at the discretion of the Trustees in furtherance of the general objectives of the Foundation.

Income Recognition

All income and expenditure is shown in the Statement of Financial Activities (SOFA).

Charitable Activities

The Foundation has a portfolio of investment properties generating rental income which is accounted for on a receivable basis.

Investment Income

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Interest income is recognised when receivable and dividend and rent income is recognised as the Foundation's right to receive payment is established.

Other Trading Activities - Subsidiary Companies

Income from trading activities includes income earned from trading activities undertaken by subsidiary companies to raise funds for the Charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred. The gross income of the subsidiaries is shown in the consolidated SOFA.

Expenditure

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes the direct costs of managing the listed investment portfolio;
- Expenditure on charitable activities includes direct expenditure on grant-making activities and support costs which are allocated on a basis consistent with the use of resources; and
- Non-charitable trading and investment property expenses includes the costs of the subsidiary companies which are incurred in relation to these activities.

Grants payable to third parties are included in expenditure on charitable activities. Where unconditional grants are made, these amounts are recognised when a constructive obligation is created, typically when the recipient is notified that a grant will be made to them. Where grants are conditional on performance, then the grant is only recognised once any unfulfilled conditions are outside of the control of the charity.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs and governance costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises costs have been allocated on a business to charity staff time allocation basis. This had been reviewed in September 2016 and subsequently approved by the Trustees.

The analysis of these costs is included in note 5.

Operating Leases

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

Investment Properties

Investment properties are measured at fair value at each balance sheet date, with changes in fair value recognised in 'net gains / (losses) on investments' in the SOFA.

Surpluses and deficits arising on revaluation are taken to revaluation reserves within the Foundation's subsidiary companies (with the movement reflected in the statement of total recognised gains and losses), and to the SOFA on consolidation.

Sales and purchases of investment properties are recognised at the date of exchange, where this is not subject to conditions, as the equitable interest has passed from the vendor to the purchaser at this date. If a contract is conditional, credit for a sale is taken when the last material condition has been satisfied.

Investments

Subsidiary Companies

Investments in Subsidiary Companies are valued annually at the attributable amount of the subsidiaries' net assets at the Balance Sheet date. This is considered by the Trustees to be a fair assessment of their fair value.

Publicly Traded Investments

Publicly traded investments are measured at fair value at each balance sheet date, with changes in fair value recognised in 'net gains / (losses) on investments' in the SOFA.

Taxation

The Foundation is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010. It therefore meets the definition of a charitable company for UK corporation tax purposes.

The Foundation is registered for VAT; irrecoverable VAT (where applicable) is included with the expenditure to which it relates. The Subsidiaries of the Foundation are liable to Corporation Tax on any taxable income not covenanted or transferred by Gift Aid to the Foundation.

Grants

Grants authorised in the period are charged to the SOFA. Any grants authorised but unpaid at the Balance Sheet date are included in creditors. Grants covering more than one period are charged to the SOFA as the money is released and is conditional on receipt of satisfactory progress reports.

Pension Costs

The Foundation operates a pension scheme. Payments made are charged against income in the period in which they are paid.

Judgments in applying accounting policies and key sources of estimation uncertainty

The Foundation makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Judgments in applying accounting policies and key sources of estimation uncertainty (continued)

(i) Impairment of debtors

The Foundation makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 14 for the net carrying amount of the debtors and associated impairment provision.

(ii) Valuation of investment properties

The Foundation makes an estimate of the fair value of investment properties. When assessing the fair value, the Board seeks the help of an expert in this area and considers, amongst other things the expected rental yields, the length of the term of the lease, the valuation of other properties in the immediate vicinity and the condition of the building.

1. Income from Investment Properties

	Company 2021 £	Company 2020 £
Rental Income	389,725	537,145

2. Income from Investments

	Group 2021 £	Group 2020 £
Income from Managed Portfolio	328,826	394,668
Interest	572	15,563
Other investment income	222,992	94,841
	552,390	505,072

Other investment income relates to income from investments held in managed funds outside of the main investment portfolio.

3. Expenditure on Raising Funds

	Group 2021 £	Group 2020 £
Management of investment properties	156,706	191,390
Investment management fees	157,667	174,201
	314,373	365,591

4. Analysis of Expenditure on Charitable Activities

	Staff £	Direct costs £	Support costs £	Group 2021 Total £	Group 2020 Total £
Grant making	21,068	179,091	42,939	243,098	756,570

5. Support Costs

	Basis of Allocation	Investment Properties £	Grant Making £	Total 2021 £	Total 2020 £
Governance costs (note 6)	71%-29%	33,370	13,630	47,000	93,357
Office costs	71%-29%	12,171	4,971	17,142	20,850
Premises	71%-29%	59,585	24,337	83,922	79,520
		105,126	42,938	148,064	193,727

6. Governance Costs

	Group 2021 £	Group 2020 £
Business Rates	4,420	4,335
Insurance	1,815	1,915
Accountancy Fees	8,145	8,686
Professional Fees	31,395	76,981
Bank Charges	1,225	1,440
	47,000	93,357

7. Analysis of Grants

	Grants to Institutions £	Grants to Individuals £	Total 2021 £	Total 2020 £
Youth category grants (Y)	60,791	-	60,791	276,916
The Disabled category grants (D)	76,184	-	76,184	225,562
The Terminally ill and Hospices (ETH)	29,128	-	29,128	72,151
Other category grants (O)	12,989	-	12,989	103,768
	179,092	-	179,092	678,397

Recipients of Grants	Grant Making £	Total 2021 £	Total 2020 £
Young Musicians Symphony Orchestra (Y)	-	-	15,000
United World Colleges (Y)	-	-	10,000
Other grants payable	179,092	179,092	653,397
Total grants payable	179,092	179,092	678,397

Others grants payable includes grants payable to UK registered charities which are each under £10,000.

8. **Net Incoming / (Outgoing) Resources are stated after Charging:**

		Group 2021 £	Group 2020 £
Auditors' remuneration	- audit	18,950	18,580
	- other services	4,920	4,820
Operating leases	- land and buildings	61,843	61,479
	- other	838	838
Loss on fair value movement of investment property		(570,000)	(2,304,964)
(Loss) / gain on fair value movement of investment portfolio		4,405,516	(1,059,335)

9. **Auditor's Remuneration**

Auditor's remuneration amounts to an audit fee of £18,950 (2020 - £18,580) and fees payable for iXBRL tagging, corporation tax compliance and VAT Compliance in relation to the Subsidiary Companies of £4,920 (2020 - £4,820).

10. **Staff Costs**

	2021 £	2020 £
Wages and salaries	136,954	138,879
Social security costs	6,383	7,946
Pension costs - employer's pension	1,419	1,468
	144,756	148,293

The average number of employees during the year, excluding Trustees, was 3 (2020 - 3). This equates to a full time equivalent number of 2 (2020 - 2).

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	2021 Number	2020 Number
£60,001 - £70,000	-	-

11. Trustees' and Key Management Personnel Remuneration and Expenses

	2021 Number	2020 Number
The number of Company Directors in receipt of emoluments	1	1

Payment of emoluments by the Subsidiary Companies to named Directors (who are also Trustees of the Foundation) is made in relation to management and professional services provided to these Companies.

Sir Andrew Ford is a Company Director of Fairhood Properties Limited for which he is paid a salary of £22,500 and Middlerigg Services Limited for which he is paid a salary of £12,000 and Mountbarrow Properties Limited for which he is paid a salary of £25,500 per annum. Payments are approved under Charity Commission Order 462/98 sealed on 21 December 1998.

The following Trustees' expenses were reimbursed or paid directly on their behalf during the year:

	2021 Number	2020 Number	2021 £	2020 £
Travel	-	7	-	706

The total amount of employee benefits received by key management personnel during the year was £70,623 (2020 - £70,795). The Trust considers its key management personnel to comprise of:

Mary Kitto: Company Secretary
Lucy Janes: Appeals Secretary
Christine Janes: Financial Accountant

12. Investment Properties

Valuation	Group freehold land and buildings 2021 £	Group freehold land and buildings 2020 £	Company freehold land and buildings 2021 £	Company freehold land and buildings 2020 £
At beginning of year	10,215,000	14,000,840	7,625,000	10,800,840
Additions at cost	-	-	-	-
Disposal in year	-	(1,500,000)	-	(1,500,000)
Capitalised Improvements	-	19,122	-	19,122
(Loss) on revaluation	(570,000)	(2,304,962)	(570,000)	(1,694,962)
At end of year	9,645,000	10,215,000	7,055,000	7,625,000

The investment properties had an original cost of £11,750,188 (2020 - £11,750,188) (Group), and £9,625,263 (2020 - £9,625,263) (Company). The fair value of investment properties is determined by independent, professional valuation at 31 March 2021. The valuation was undertaken by Clive Thomas of Clive Thomas & Co Chartered Surveyors, in conjunction with Robin Hanson of Brackenridge Hanson Tate, Chartered Surveyors and Property Consultants. Both Messrs Thomas and Hanson are Fellows of the Royal Institute of Chartered Surveyors. The exercise was carried out on a "desk top" valuation basis, which takes into consideration the location, the valuation of other properties in the immediate vicinity of the building, the condition of the building and the expected rental yields. Valuations are undertaken annually.

13. Fixed Asset Investments

	2021 £	2020 £	2021 £	2020 £
	Group		Company	
Investment in subsidiary undertakings	-	-	4,690,598	4,700,984
Listed investments	27,347,916	22,487,032	27,347,916	22,487,032
	27,347,916	22,487,032	32,038,514	27,188,016

Details of the subsidiary undertakings can be found in Note 24.

13a. **Fixed Asset Investments**

	Company £
Investment in Subsidiary Undertakings	
Valuation at beginning of year	4,700,984
Movement in year	(10,386)
Valuation at end of year	4,690,598

These Financial Statements incorporate the results of all the Foundation's subsidiaries, which are listed in Note 23. All the subsidiaries are incorporated in England & Wales and are wholly owned at 31 March 2021.

13b. **Fixed Asset Investments**

	2021 £	2021 £	2020 £	2020 £
Listed Investments	**Group and Company**		**Group and Company**	
Market value at beginning of year		22,487,035		20,681,448
Additions at cost		6,163,597		12,111,296
Disposal proceeds		(5,708,232)		(9,246,377)
Net investment gains				
- unrealised gains / (losses) on revaluation	3,209,352		(2,396,656)	
- realised gains on disposal	1,196,164		1,337,321	
		4,405,516		(1,059,335)
Market value at end of year		27,347,916		22,487,032

Listed Investments

	2021 £	2020 £
UK equity shares	8,974,255	2,766,202
Overseas equities	18,373,661	19,720,830
Market value of listed investments	27,347,916	22,487,032

The fair value of listed investments is determined by reference to the quoted price for identical assets in an active market at the balance sheet date. The Charities Property Fund market value of £5,898,935 is 21.57% of the total investments.

14. Debtors

	2021	2020	2021	2020
	£	£	£	£
	Group		Company	
Amounts owed by subsidiary undertakings - deeds of covenant/gift aid	-	-	58,706	139,888
Amounts owed by subsidiary undertakings - other	-	-	205,840	205,623
Prepayments and accrued income	272,746	184,779	184,737	157,402
	272,746	184,779	449,283	502,913

15. Cash at Bank and in Hand

Deposit accounts	1,263,695	443,694	1,263,695	443,694
Current accounts	356,045	65,640	289,537	62,277
Cash at Investment Managers	497,400	1,566,517	497,400	1,566,517
	2,117,140	2,075,851	2,050,632	2,072,488

16. Creditors: amounts falling due within one year

Amounts owed to subsidiary undertakings	-	-	2,298,000	2,448,356
Taxation and social security costs	-	731	-	432
Accruals and deferred income (see note 17)	84,692	99,969	70,595	77,668
Other creditors	180,012	57,986	106,736	57,986
	264,704	158,686	2,475,331	2,584,442

The amounts owed to subsidiary undertakings are unsecured and repayable on demand. Interest is charged at the same rate of interest as that received by the Foundation for funds held in COIF.

17. Deferred Income

	2021	2020	2021	2020
	£	£	£	£
	Group		Company	
At 1 April 2020	41,980	96,962	23,269	78,250
Additions during the year	47,110	245,317	35,569	199,154
Amounts released	(61,926)	(300,299)	(50,385)	(254,135)
At 31 March 2021	27,164	41,980	8,453	23,269

Income has been deferred in relation to rents received quarterly in advance. All deferred income relates to a period of less than one year.

18. **Fund Reconciliation**

	Balance at beginning of year £	Income £	Expenditure £	Net Investment gains/ (losses) £	Balance at end of year £
Company Funds	34,803,975	1,046,464	(557,471)	3,835,516	39,128,484
Subsidiary companies' funds	4,700,984	164,423	(174,809)	(10,386)	4,680,212
Consolidation adjustments	(4,700,984)	(75,831)	75,831	10,386	(4,690,598)
Group Funds	34,803,975	1,135,056	(656,449)	3,835,516	39,118,098

The Company's net outgoing resources before gains/(losses) for the year ended 31 March 2021 amounted to £4,314,123. Details of the consolidation adjustments can be found in note 25.

19. **Operating Lease Commitments - Company and Group**

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021		2020	
	Land and buildings	Others	Land and buildings	Others
Not later than one year	62,820	950	62,820	950
Later than one but not later than five years	62,820	714	125,640	1,664
	125,640	1,664	188,460	2,614

As at 31 March 2021 there were Grant commitments of £Nil.

20. **Reconciliation of net (expenditure) / income to net cash flow from Operating Activities**	2021 £	2020 £
Net income / (expenditure) for year	4,314,123	(1,784,938)
Losses / (gains) on investment portfolio	(4,405,516)	1,059,334
Losses / (gains) on revaluation of investment property	570,000	2,304,962
(Increase) / decrease in debtors	(87,968)	(59,993)
(Decrease) / Increase in creditors	106,015	(113,602)
Gain on sale of York	-	(1,451,567)
Net Cash (Outflow) / Inflow from Operating Activities	496,654	(45,804)

21. Pensions

Defined contribution pension - Employer pension plan

The Foundation operates a defined contribution employer pension plan for its employees. The amount of contributions recognised as an expense during the year was £1,419 (2020 - £1,468).

22. Related Party Transactions

During the year the Foundation made grant payments of £Nil (2020 - £47,600) to 0 (2020 - 7) charities where one or more of the Foundation's Trustees also served as Trustees of the beneficiary charities:

	Income £	Expenditure £
The Lockie Trust (Trustee: Angus Fanshawe)		
At 31 March 2020	7,800	6,450
At 31 March 2021	-	1,800
The Phoenix Cottage Trust (Trustee: David Byam-Cook)		
At 31 March 2020	7,800	6,200
At 31 March 2021	-	750
The Ravensword Trust (Trustee: Patrick Holcroft)		
At 31 March 2020	7,800	10,450
At 31 March 2021	-	3,950
The Sant Trust (Trustee: Lorna Stuttaford)		
At 31 March 2020	7,800	4,050
At 31 March 2021	-	6,600
The Tristenagh Trust (Trustee: Andrew Ford)		
At 31 March 2020	5,300	8,069
At 31 March 2021	-	2,157
The Shearwater Trust (Trustee: Charles Bennett)		
At 31 March 2020	7,800	6,700
At 31 March 2021	-	5,050
The Ringford Trust (Trustee: Alexander Scully)		
At 31 March 2020	3,300	-
At 31 March 2021	-	300

Provisions for doubtful related party debtors amounted to £nil at the balance sheet date (2020 - £nil). The Charity recognised £nil (2020 - £nil) as an expense during the year in respect of bad or doubtful related party debts. There were no outstanding balances or commitments at 31 March 2021 or 2020 with related parties.

Each Trustee manages a charitable Trust as disclosed above. Each Trust receives an annual donation from the Foundation which can be used to make discretionary donations to any UK registered charity. However, due to the effects of the pandemic and the decrease in the grants budget during the year, no donations were made to these Trusts.

23. Results of Subsidiary Companies

The following companies are wholly owned subsidiaries of the Foundation:

Company	Company Number
Fairhood Properties Limited	00712408
Merewood Properties Limited	01539486
Mountbarrow Properties Limited	00591626
Middlerigg Nominees Limited	02298673
Middlerigg Services Limited	00431334

The management company and the property companies transfer 100% of their taxable profits to the Foundation under the Gift Aid arrangements.

The results of the Foundation's subsidiaries are shown in Note 24 on page 28. These results include intragroup transactions of £12,368 (2020 - £11,852) for management services provided by Middlerigg Services Limited to fellow subsidiaries and £1,529 (2020 - £8,568) interest arising on loans with fellow group entities.

All subsidiaries covenant or transfer by means of Gift Aid 100% of their taxable profits to the Foundation. The subsidiaries are involved in the management of investment properties, except Middlerigg Nominees Limited which is a nominee company and Middlerigg Services Limited which is a management services company.

No deferred tax is provided on investment properties held by Fairhood Properties Limited as the availability of indexation reduces any gains to nil. In Mountbarrow Properties Limited no deferred tax is provided on the investment properties. There is a potential deferred tax liability of £85,486 which has not been recognised in the Financial Statements of this Company as there is an enduring Deed of Covenant in place which requires the entire Company's annual taxable profit to be donated to the Foundation and therefore any capital gain on the eventual disposal of the investment properties will not crystallise a corporation tax liability.

All companies are registered and incorporated in England and Wales.

23. Results of Subsidiary Companies	Merewood Properties Limited		Fairhood Properties Limited		Middlerigg Services Limited		Mountbarrow Properties Limited		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	£	£	£	£	£	£	£	£	£	£
Gross income from investment Properties	18,516	50,000	29,312	51,187	-	-	64,928	98,594	112,756	199,781
Management fees / commission	-	-	-	-	50,138	50,466	-	-	50,138	50,466
Other income	-	-	-	-	-	-	-	-	-	-
Interest receivable	-	-	-	-	-	-	1,529	8,568	1,529	8,568
Total income of subsidiaries	**18,516**	**50,000**	**29,312**	**51,187**	**50,138**	**50,466**	**66,457**	**107,162**	**164,423**	**258,815**
Property outgoings	7,765	-	-	-	-	-	-	-	7,765	-
Administrative expenses	15,756	15,576	33,164	32,525	17,872	17,314	36,572	36,734	103,364	102,149
Interest payable	415	2,320	1,114	6,218	-	30	217	1,211	1,746	9,779
Corporation Tax payable	-	-	-	-	-	-	-	-	-	-
Deeds of Covenant/Gift Aid	-	32,104	-	12,444	32,266	33,122	29,668	69,217	61,934	146,887
Total expenses of subsidiaries	**23,936**	**50,000**	**34,278**	**51,187**	**50,138**	**50,466**	**66,457**	**107,162**	**174,809**	**258,815**
Retained profit/(losses)	(5,420)		(4,966)		-		-		(10,386)	
Revaluation of freehold property	-	(250,000)	-	(150,000)	-	-	-	(210,000)	-	(610,000)
Release of realised loss on - disposal of investment property	-	-	-	-	-	-	-	-	-	-
Reserves at beginning of year	112,685	362,685	1,145,262	1,295,262	9,360	9,360	3,433,677	3,643,677	4,700,984	5,310,984
Reserves at end of year	**107,265**	**112,685**	**1,140,296**	**1,145,262**	**9,360**	**9,360**	**3,433,677**	**3,433,677**	**4,690,598**	**4,700,984**

The Charitable Company also holds 100% of the share capital in a nominee company, Middlerigg Nominees Limited. This investment has been written down to £nil (2020 - £nil).

24. Subsidiary Companies - total income and expenditure reconciliation note

		2021 £	2020 £
(i)	Total income of subsidiary companies	150,526	238,395
	Plus: Group transactions		
	• Management fee income	12,368	11,852
	• Interest earned	1,529	8,568
	Total income of subsidiary companies before consolidation (note 23)	164,423	258,815
(ii)	Total expenses of subsidiary companies	98,978	91,508
	Plus: Group transactions - deed of covenant/gift aid	61,934	146,887
	• Management fee expenses	12,368	11,852
	• Interest paid	1,529	8,568
	Total expenses of subsidiary companies before consolidation (note 23)	174,809	258,815

25. Post Balance Sheet Events

There were no post balance sheet events.

26. Financial Instruments

The Charity holds a number of financial assets (for example investments, debtors and cash) and financial liabilities (for example creditors) which meet the definition of basic financial instruments under the FRS 102 SORP. Details of the measurement bases, accounting policies and carrying values for these financial assets and liabilities are disclosed in notes 12 to 17 above.

All investments are carried at their fair value. Investments in equities and fixed interest securities are all traded in quoted public markets. Property and equity investments are reviewed regularly to optimise the best financial outcome for The Foundation and its property companies.