

THE GALLAHER TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2023

THE GALLAHER TRUST

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST OCTOBER 2023

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THE GALLAHER TRUST

REPORT OF THE TRUST PROTECTOR

Background

This is my sixth report as the Protector of the Gallaher Trust. It covers the year to 31 October 2023 which is the Trust's financial year end.

The Gallaher Trust is an independent charity which was established in September 2017 with a legacy donation of £5,000,000 from Gallaher Limited (JTI). The objects of the Trust, and the legal basis governing how the JTI legacy must be distributed, are contained in a Trust Deed dated 4 September 2017.

The work of the Gallaher Trust is overseen by a Corporate Trustee (Gallaher Corporate Trustee Limited) which operates through its Board of Directors (who individually assume the duties and responsibilities of trustees).

In making charitable awards the Trust focuses on local job creation, capacity and skill development among socially and economically disadvantaged communities including disadvantaged adults; better health, safety and accident reduction in the workplace; and the further education of adults in Ballymena and its surrounding area.

Role of Protector

The Trust Deed, together with the governing documents of the Corporate Trustee, set out the powers, duties and provision for remuneration of the Protector. My principal duties are:

- to oversee the work of the Corporate Trustee;
- to ensure that, through the actions of its Directors, the Corporate Trustee administers the Trust in accordance with the terms of the Trust Deed;
- to protect the Trust's property; and
- generally, to assist the Directors of the Corporate Trustee (and the Trust Administrator) on any matters pertaining to their decision making and the award of funding, as well as the maintenance of good corporate governance.

My initial term of appointment was for a 5-year period from 1 January 2018 to 31 December 2022. The Directors have extended my appointment for a further a 5-year term beginning on 1 January 2023. I am grateful to the Directors for this, and for the ready help and assistance which they have given me during the past year to enable me to discharge my duties as Protector.

Work of the Trust

Since its inception, the Trust has agreed to support 23 projects. In total, £2.27 million has been committed to fund these projects and the Trust has done so in conjunction with 14 delivery partners. The range of supported projects which includes the Ballymena Business Centre, Women's Aid, the NI Hospitality School of Excellence, and Harryville's Men's Shed, demonstrates how the Trust has reached out in various ways to support a range of worthy and necessary causes consistent with its charitable objects.

In previous Reports, I highlighted the challenges faced by the Trust arising from the Covid-19 pandemic. Covid-19 was not only unexpected in its arrival and impact but it also lingered longer than anyone could reasonably have imagined. Nonetheless, the swift-footedness of the Trust in adapting to these difficulties ensured that its work in supporting local communities and individuals continued without interruption.

It is also clear that the lessons learned from how quickly and efficiently the Directors adapted to the challenges posed by Covid-19 have stood the Trust in good stead as the local and global environments continued to pose new threats to its work, its financial investments, and to the needs of the Greater Ballymena community.

It is both a measure of the need for the Trust, and a recognition of the impact of its interventions to date, that the Trust is now firmly established as a charity with a very positive reputation. This was evidenced at the Trust's Making A Difference (MAD) Awards Event held on 13 October 2023 when approximately 100 guests attended to celebrate the first 5 years of the Trust. The focus of the event (the majority of the costs of which were met by JTI) was on the people and organisations that the Trust had supported and their efforts to enhance job creation and personal skills, and to facilitate qualitative improvements in the lives of disadvantaged adults.

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REPORT OF THE TRUST PROTECTOR *(continued)*

Protector Issues

I attend the Corporate Trustee Board meetings and provide advice and guidance to the Directors and the Trust Administrator on the routine business of the Trust, and from time to time I will also bring matters to the attention of the Board.

In the course of the year, the Trust welcomed Buta Atwal and Ruth Forbes to the Board of the Corporate Trustee. Buta Atwal has extensive experience and leadership in industry, whilst Ruth Forbes of JTI, who currently has the responsibility for its community investment and environmental programs, has replaced her former JTI colleague, Karen Reynolds. These appointments will maintain and expand the existing knowledge and skills of the Board.

Karen Reynolds was appointed when the Trust and the Corporate Trustee was established in 2017, and it is appropriate to acknowledge Karen's extensive and thoughtful contribution to the development of the Trust throughout the period of her tenure.

Towards the end of the year, Alison Moore, who joined the Board in September 2022 also tendered her resignation. This was due to increased and unforeseen external commitments, and the Trust is grateful to her for her work, albeit over a limited period. Alison's decision is a useful reminder to Board members that their membership is both voluntary and can be time-consuming and no Board member should feel unable to put their personal circumstances and or their professional or business demands first.

I will be engaging with the Board as it considers its strategy for the ongoing recruitment of board members to ensure both an appropriate skill spread and succession planning.

The work and efficient operation of the Trust is ably supported by its Trust Administrator, Greg McKinley. I am pleased to note that, with the support of the Trust, Greg completed a Charity Law Course at the Institute of Professional Legal Studies at Queen's University Belfast, which is further evidence of the positive approach taken by the Trust to enable it to meet both its legal and governance requirements.

Whilst the MAD Awards Event represented the Trust's external engagement with its stakeholders, it is appropriate to note that the Trust has robust internal procedures for the management of its award applications, and the review of its funded projects. This provides substantial reassurance of good governance and these procedures include:

- A clear application process which enables those considering seeking support to identify at the earliest opportunity if they meet the Trust's criteria for funding;
- A sub-committee to review and recommend or reject applications;
- The Board's consideration of recommended projects, measured against the Trust's criteria and yearly financial commitment;
- In-person presentations (both at application and review of outputs stages);
- The encouragement of collaborative projects;
- The maintenance of a clear record of its decision making in each case; and
- The review of the performance of funded projects and learnings for future funding.

Risk management remains a recurrent agenda item for all Trustee meetings, and I am satisfied that the approach to risk management which the Directors have developed is appropriate to the needs of the Trust.

Financial Matters

I have examined the investment, management and use of the endowment received from JTI. This has included receiving and reviewing with the Board, the appointed investment manager's quarterly reports to the Directors, as well as the routine financial management information provided to the Directors. The environment for investment remains challenging, but I am satisfied that there is no strategic long term risk to the Trust or its work, and that its investment policy remains prudent and appropriate to the ongoing and longer term needs of the Trust.


The financial affairs of the Trust are externally audited and separately reported on.

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REPORT OF THE TRUST PROTECTOR *(continued)*

Conclusion

I am pleased to report that the management and governance of the Trust remain strong and that its financial awards are consistent with the successful delivery of its charitable objectives.



Michael Wilson

11th December 2023

THE GALLAHER TRUST

TRUSTEE REPORT

The Trustee is pleased to present its annual report together with the financial statements of the charity for the year ending 31 October 2023. The trustee has adopted the provisions of the Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP – FRS102), in preparing the annual report and financial statements of the charity.

Trustee

The trustee who held office during the year was as follows:

- Gallaher Corporate Trustee Limited

Objectives and Activities (and how they deliver public benefit)

The Objects of the Trust are to make awards for charitable purposes for:

- a) the advancement, for the public benefit, of local organisations in Ballymena and its environs with a view to job creation
- b) the development, for the public benefit, of the capacity and skills of the members of socially and economically disadvantaged communities including but not limited to the assistance of disadvantaged adults in Ballymena and its environs in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society;
- c) the advancement, for the public benefit, of knowledge and training regarding health, safety and accident reduction in the workplace; and
- d) the further education of adults in Ballymena and its environs including but not limited to those attending institutions for further education in Northern Ireland.

Achievements and performance

In the financial period, the Trust provided funding in excess of £410,000, which brings the total since commencement to £1,444,631. In total the Trust has committed to funding of up to £2,784,597, resulting in a forward commitment of up to £1,339,966 as at the balance sheet date. This is directed toward providing skills and training for local organisations and the community, in addition to providing funds for local organisations to promote employment and growth. It is anticipated that this will increase further for the incoming year.

Financial review

The Trust was founded with £5,000,000 legacy donation from Gallaher Limited, received in December 2017. The majority of this legacy has been placed in an investment portfolio, maintained by investment managers. At the year end, the Trust is in a financially stable position, with net assets of approximately £4.1M.

Investment income for the period amount to £119,172 which was in line with expectation. A further amount of £15,000 was received from JTI as a contribution toward The Trust's Making A Difference Awards Event. Gains, losses and revaluations of the share portfolio resulted in a surplus of £902. After the deduction of expenditure of £526,185 a net deficit of £391,111 was reported for the year.

Structure, governance and management

The charity is a charitable trust governed by its Trust Deed, created on 1st November 2016.

The sole trustee is the company, The Gallaher Corporate Trustee Limited. Its directors are appointed in line with the provisions of the Trust Deed.

A Trust Protector has been appointed to oversee the governance of the Trust.

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TRUSTEE REPORT *(continued)*

Reference and administrative details

Registered charity name:	The Gallaher Trust
Trustee	Gallaher Corporate Trustee Limited
Charity Commission registration number:	NIC106498
Registered office:	22-30 Broadway Avenue Ballymena, BT43 7AA

Funds held as custodian trustee on behalf of others

The charity does not hold any funds on behalf of others.

Statement of trustee's responsibilities

The trustee is responsible for preparing the financial statements in accordance with applicable law and regulations.

Charity law requires the trustee to prepare financial statements for each financial year. Under that law the trustee has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Charity law the trustee must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including income and expenditure for that period. In preparing these financial statements, the trustee is required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP-FRS102;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statement; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the trust's transactions and disclose with reasonable accuracy at any time the financial position of the trust and enable it to ensure that the financial statements comply with the Charities Act (Northern Ireland) 2008. It is also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In the case of each director of the Trustee, at the date the Trustee's Report is approved:

- so far as the director is aware, there is no relevant audit information of which the charity's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the trust's auditors are aware of that information.

Risk management

The Trust places a high degree of value in ensuring that it has appropriate risk management procedures in place. The key control in this respect is ensuring that the Trustees have full visibility of all financial, operational and governance matters. All financial and operational matters are presented to the Trustees for approval and review to ensure that they are at all times consistent with the Trust's objectives. The appointment of the Trust Protector introduces a further level of governance control, who ensures that the Trustees operate within the desired framework of the Trust Deed.

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TRUSTEE REPORT *(continued)*

Auditors

A resolution to appoint auditors will be proposed at the Annual General Meeting.

Approved by the Board as at 21st March 2024 and signed on its behalf by:

James Perry

Director of corporate trustee

THE GALLAHER TRUST

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF THE GALLAHER TRUST

Opinion

We have audited the financial statements of The Gallaher Trust for the year ended 31st October 2023 which comprise the Statement of Finance Activities, Statement of Financial Position, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) – (Charities SORP (FRS102)).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable trust's affairs as at 31st October 2023 and of its incoming resources and their application for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act (Northern Ireland) 2008.

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 Trust 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 charity'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 trustee is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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INDEPENDENT AUDITORS' REPORT *(continued)*

Opinions on other matters

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

- the information given in the trustee's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustee's 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustee's report.

We have nothing to report in respect of the following matters in relation to which the Charities Act (Northern Ireland) 2008 requires us to report to you if, in our opinion:

- accounting records have not been kept by the Trust, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of Trustees

As explained more fully in the trustee's responsibilities statement set out on page 6, the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing the trust'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 trustee either intends to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

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INDEPENDENT AUDITORS' REPORT *(continued)*

Auditor's responsibilities for the audit of the financial statements *(continued)*

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 identified the laws and regulations applicable to the charity through discussions with directors and key personnel, and from our own knowledge and experience of the charitable sector. We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act and related legislation, while also giving consideration to data protection regulations and the safeguarding of charitable funds.
- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations and the team remained alert to the possibility of fraud and non-compliance throughout the audit.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur. We did so through discussions with management as to their assessment of areas where fraud or non-compliance might occur, as well as considering the internal controls in place to mitigate risks of fraud and non-compliance.
- In order to ascertain the extent of compliance with the laws and regulations, we made enquiries of management as to whether there was any actual or potential litigation, we reviewed legal correspondence, we inspected board minutes and we performed analytical procedures to identify any unusual or unexpected activity.

A further description of our responsibilities is available 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 charity's members, as a body. Our audit work has been undertaken so that we might state to the Charity's members 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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Stevenson and Wilson 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.

Peter Stevenson
Senior Statutory Auditor

for and on behalf of:
Stevenson and Wilson, Statutory Auditor
22-30 Broadway Avenue
Ballymena

21st March 2024

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STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST OCTOBER 2023

		Unrestricted Funds	Restricted Funds	Total	Total
		2023	2023	2023	2022
	Note	£	£	£	£
Incoming resources					
Investment income	4	-	119,172	119,172	102,787
Donations	4	-	15,000	15,000	-
Total income		-	134,172	134,172	102,787
Resources expended:					
Charitable activities	5	-	526,185	526,185	457,589
Total expenditure		-	526,185	526,185	457,589
Net gains/(losses) on investments	6	-	902	902	(460,807)
Net movement in funds before transfers		-	(391,111)	(391,111)	(815,609)
Transfers between funds	7	-	-	-	-
Net movement in funds		-	(391,111)	(391,111)	(815,609)
Reconciliation of funds:					
Total funds brought forward		-	4,466,959	4,466,959	5,282,568
Total funds carried forward		-	4,075,848	4,075,848	4,466,959

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

All income and expenditure derives from continuing activities.

THE GALLAHER TRUST

STATEMENT OF FINANCIAL POSITION / BALANCE SHEET AS AT 31ST OCTOBER 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible fixed assets	9	2,502	3,336
Tangible fixed assets	10	701	-
Investments	11	3,874,646	4,236,266
		<u>3,877,849</u>	<u>4,239,602</u>
Current assets			
Bank and cash		221,703	232,046
		<u>221,703</u>	<u>232,046</u>
Creditors: falling due within one year	12	23,704	4,689
		<u>23,704</u>	<u>4,689</u>
Net current assets		<u>197,999</u>	<u>227,357</u>
Total net assets	13	<u>4,075,848</u>	<u>4,466,959</u>
Restricted funds			
Restricted income funds	14	4,075,848	4,466,959
Total restricted funds		<u>4,075,848</u>	<u>4,466,959</u>
Unrestricted funds	14	-	-
Total charity funds		<u>4,075,848</u>	<u>4,466,959</u>

The financial statements on pages 11 to 20 were approved by the Trustee as at 21st March 2024 and signed on its behalf by:

James Perry

Director of corporate trustee

The notes on pages 14 to 20 form part of these financial statements

THE GALLAHER TRUST

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST OCTOBER 2023

	2023 £	2022 £
Cash flows from operating activities		
Net (outgoing)/incoming resources	(391,111)	(815,609)
Net (gains)/losses on investments	(902)	460,807
Depreciation and amortisation	1,009	1,073
Increase/(decrease) in creditors	19,015	(1,495)
Net cash outflow from operating activities	(371,989)	(355,224)
Cash flows from investing activities		
Expenditure on tangible fixed assets	(876)	-
Proceeds from the sale of portfolio shares	596,325	1,168,114
Purchase of investments through portfolio	(387,110)	(842,265)
Net cash inflow from investing activities	208,339	325,849
Net decrease in cash for the year	(163,650)	(29,375)
Cash and cash equivalents at the beginning of the year	543,153	572,528
Cash and cash equivalent at the end of the year	379,503	543,153
Cash and cash equivalents	2023 £	2022 £
Cash at bank	221,703	232,046
Cash held in investment portfolio	157,800	311,107
Cash and cash equivalent at the end of the year	379,503	543,153

The notes on pages 14 to 20 form part of these financial statements

THE GALLAHER TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST OCTOBER 2023

1. Trust information

The Trust was established in Northern Ireland under the Trust Deed dated 1st November 2016. The address of the registered office is 201 Galgorm Road, Ballymena, BT42 1HS. The financial statements were authorised for issue by the Board on 21st March 2024.

2. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared on a going concern basis 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) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost and transaction value unless otherwise stated in the relevant accounting policy note(s).

Preparation of accounts on a going concern basis

The Trust has high levels of reserves which will facilitate the operations of the charity for the foreseeable future. These financial statements have been prepared on a going concern basis.

Incoming resources

Donations received comprise of all amounts receivable for the accounting period. Income is recognised when the Trust has established an entitlement to the income. For donations this is typically upon receipt.

Investment income comprises dividends and interest. Dividends are recognised at the date of dividend declaration. Interest received is recognised on an accruals basis.

Resources expended

Resources expended are recognised in the period in which they are incurred.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services to its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Intangible fixed assets

Intangible fixed assets are initially capitalised at cost. At each reporting date, the carrying value and the useful life of the intangible is reviewed. If circumstances indicate that an impairment provision is required, this is immediately recognised through the Statement of Financial Activities. Amortisation is charged on a 20% straight-line basis to the Statement of Financial Activities to reflect the use of the asset over its estimated useful life.

Tangible assets

The tangible assets of the Trust comprise computer equipment. Additions are recognised at cost.

Computer equipment is depreciated at a rate calculated to reduce it to residual value at the end of its expected normal life on a straight line basis at a rate of 20% per annum.

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the new disposal proceeds and the carrying amount is recognised in the statement of financial activities and included in "other operating gains/(losses)".

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NOTES TO THE FINANCIAL STATEMENTS *(continued)*

2. Accounting policies *(continued)*

Investments

The Trust's investment in shares in the UK and worldwide markets have been included in the balance sheet at market value, based on external professional valuations.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Financial assets, including debtors, are reviewed at the reporting date to determine if there is any evidence of potential impairment. Any losses arising from impairment are recognised in the income statement in operating expenses.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction price and subsequently measured at their settlement value.

Funds

Funds are classified as either unrestricted funds or restricted funds, defined as follows.

Unrestricted funds are expendable at the discretion of the trustees in furtherance of the objects of the charity. If parts of the unrestricted funds are earmarked at the discretion of the trustees for a particular purpose, they are designated as a separate fund. This designation has an administrative purpose only and does not legally restrict the trustee's discretion to apply the fund.

Restricted funds are funds subject to specific requirements as to their use which may be declared by the donor or with their authority or created through legal processes, but still within the wider objects of the Trust.

Endowment funds are funds which have been given on the condition that the original capital sum is not reduced, but the income there from is used for the purpose defined in accordance with the objects of the Trust.

3. Critical accounting judgements and estimation uncertainty

Estimates and judgments made in the process of preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Trustee does not consider that there are any critical judgments made in applying the Trust's accounting policies or that there are any critical accounting estimates or assumptions which may have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next financial year.

THE GALLAHER TRUST

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

4. Investment income

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total 2023 £	Total 2022 £
Interest received from investments	-	39,224	39,224	18,616
Dividends received	-	79,948	79,948	84,171
Donations received	-	15,000	15,000	-
	-	134,172	134,172	102,787

5. Charitable activities

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total 2023 £	Total 2022 £
Trust Protector	-	7,500	7,500	7,500
Board meeting expenses	-	2,399	2,399	1,370
Event expenditure	-	24,252	24,252	-
Website expenses	-	-	-	268
Sponsorship	-	1,200	1,200	1,000
General	-	494	494	190
Award Funding	-	410,446	410,446	372,680
Public relations and communication	-	27,328	27,328	23,088
Portfolio management fees	-	24,894	24,894	28,081
Auditors remuneration – statutory audit	-	1,620	1,620	1,620
Bank fees	-	184	184	163
Management charges	-	24,859	24,859	20,556
Depreciation	-	1,009	1,009	1,073
	-	526,185	526,185	457,589

THE GALLAHER TRUST

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

6. Net gains/(losses) on investments

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total 2023 £	Total 2022 £
Gains on disposal of shares	-	33,848	33,848	6,304
Fair value gains/(losses) on revaluation of investments	-	(32,946)	(32,946)	(467,111)
	<u>-</u>	<u>902</u>	<u>902</u>	<u>(460,807)</u>

7. Transfers between funds

Unrestricted funds are spent or applied at the discretion of the trustees to further any of the charity's purposes. Unrestricted funds can be used to supplement expenditure made from restricted funds.

All funds in the trust are currently classed as restricted.

8. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

None of the directors of the corporate Trustee received any remuneration nor reimbursement for expenses. The trust protector received remuneration of £7,500 (2022: £7,500) in fulfilment of the duties of this role.

9. Intangible fixed assets

	Website Development	Total £
Cost		
As at 1 st November 2022 and 31 st October 2023	<u>4,170</u>	<u>4,170</u>
Amortisation		
As at 1 st November 2022	834	834
Amortisation charge for the year	834	834
As at 31st October 2023	<u>1,668</u>	<u>1,668</u>
Net book value at 31st October 2023	<u>2,502</u>	<u>2,502</u>
Net book value at 31 st October 2022	<u>3,336</u>	<u>3,336</u>

THE GALLAHER TRUST

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

10. Tangible fixed assets

	Office Equipment £	Total £
Cost		
As at 1 st November 2022	1,195	1,195
Additions	876	876
As at 31st October 2023	2,071	2,071
Depreciation		
As at 1 st November 2022	1,195	1,195
Depreciation charge for the year	175	175
As at 31st October 2023	1,370	1,370
Net book value at 31st October 2023	701	701
Net book value at 31 st October 2022	-	-

11. Investments

	2023 £	2022 £
Opening investment	4,236,266	5,126,367
Interest received	39,224	18,616
Dividends received	79,948	84,171
Profit/(loss) on disposal of share investments	33,848	6,304
Management fees	(24,894)	(28,081)
Fair value gains/(losses) on the revaluation of shares	(32,946)	(467,111)
Withdrawals	(456,800)	(504,000)
	3,874,646	4,236,266
Comprised of:		
Listed investments	3,716,846	3,925,159
Cash and cash equivalents	157,800	311,107
	3,874,646	4,236,266

THE GALLAHER TRUST

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

12. Creditors: amounts due within one year

	2023 £	2022 £
Other creditors and accruals	<u>23,704</u>	<u>4,689</u>

13. Analysis of net assets

	Unrestricted £	Restricted General £	Total £
Fixed assets	-	3,203	3,203
Investments	-	3,874,646	3,874,646
Current assets	-	221,703	221,703
Current liabilities	-	(23,704)	(23,704)
Net assets at 31st October 2023	<u>-</u>	<u>4,075,848</u>	<u>4,075,848</u>

14. Funds of the charity

	At 1st November 2022 £	Income £	Investment gains & losses £	Expend- iture £	At 31st October 2023 £
Restricted funds					
Restricted income funds	4,466,959	134,172	902	(526,185)	4,075,848
	<u>4,466,959</u>	<u>134,172</u>	<u>902</u>	<u>(526,185)</u>	<u>4,075,848</u>
Unrestricted funds					
General fund	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds	<u>4,466,959</u>	<u>134,172</u>	<u>902</u>	<u>(526,185)</u>	<u>4,075,848</u>

Purpose of Restricted funds

These funds are to be used towards the support of the charitable work of the trust.

THE GALLAHER TRUST

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

15. Financial instruments

At the balance sheet date the Trust held the following financial instruments:

	2023 £	2022 £
Financial assets measured at fair value	3,716,846	3,925,159
Financial assets measured at amortised cost	379,503	543,153
Financial liabilities measured at amortised cost	23,704	4,689

16. Related party transactions

The Trust Protector received remuneration as detailed in note 8. There were no other related party transactions during the year.

17. Capital commitments

The Trust had charitable funding commitments at the balance sheet date of up to £1,339,966 (2022: £1,211,244)

18. Controlling party

During the year The Gallaher Trust was under the control of the Trustee.