

**THE GALLAHER TRUST**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> OCTOBER 2024**

# **THE GALLAHER TRUST**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> OCTOBER 2024**

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# **THE GALLAHER TRUST**

## **REPORT OF THE TRUST PROTECTOR**

### **Background**

This is my seventh report as the Protector of the Gallaher Trust. It covers the year to 31 October 2024, which is the Trust's financial year end.

The Gallaher Trust 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 for the distribution of the JTI legacy, are set out in a Trust Deed dated 4 September 2017.

The Gallaher Trust is an independent charity that works with its delivery partners to promote job creation, capacity and skills development among socially and economically disadvantaged communities and people in Ballymena and its surrounding area. It also supports programmes for better health, safety and accident reduction in the workplace, and the further education of adults.

The work of the Gallaher Trust is overseen by the Board of Directors of its Corporate Trustee, Gallaher Corporate Trustee Limited which is a company limited by guarantee. Although the Corporate Trustee is the sole trustee of the Gallaher Trust, the Directors discharge their duties mindful of their responsibility to act as if they had been individually appointed as trustees of the Trust.

### **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. The Protector's 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
- to assist the Board of Directors (and the Director of Operations who administers the work of the Trust) on any matters pertaining to their decision making and the award of funding, as well as the maintenance of good corporate governance.

I have had the privilege of acting as Protector since the Trust's inception, and I am grateful to the Board of Directors and to the Trust's Director of Operations for their ongoing help and assistance to enable me to discharge my duties as Protector.

### **Work of the Trust**

Over the last six years the Trust has committed approximately £2.8 million in support of a total of thirty projects, and it has already spent £1.8 million of its legacy, helping to create approximately 360 jobs, upskilling over 1,500 people and supporting over 1,600 disadvantaged adults. Through a programme of planned expenditure and the prudent investment of its legacy funds, the Trust expects to be in a position to continue its work for the next ten years.

### **Protector Issues**

As Protector, I routinely attend the Corporate Trustee Board meetings, and I also provide ongoing advice and guidance as and when required to the Directors and the Director of Operations on the work of the Trust.

In my previous (sixth) Report, I noted the changes that had occurred in the Board's membership during 2023. I am pleased to report that the Board has continued to keep its membership under review and has done so with an ongoing regard to ensure a sufficient range of skills and diversity. I also note the Board's prudent intention to develop its membership both by direct appointment, and by co-option, which will facilitate its ongoing succession planning. In this context, I welcome Stephen Reynolds who joined the Board in the course of the year.

# THE GALLAHER TRUST

## REPORT OF THE TRUST PROTECTOR *(continued)*

### Protector Issues *(continued)*

My remit as Protector allows me to bring matters to the attention of the Board. As the Trust has been operational for almost seven years, I asked the Board to consider holding a Strategy Planning Session to take stock of its work to date and its ambition for the future. This included reviewing the Trust's mission and purpose, its achievements to date, the challenges that it has faced in delivering on its objectives, and agreeing a strategic focus for its work over the next few years.

A Strategy Planning Session was held in March 2024, externally facilitated by Helen McKenna a Senior Lecturer at the Ulster University Business School, and I wish to record my thanks to Helen for her professionalism and enthusiasm for the task. The session covered a number key areas of the Trust's work, including

- Funding and Investment Strategies
- Selection and Evaluation of Delivery Partners, and Collaboration
- Targeting support for the unemployed and economically inactive
- Communications Strategy

In my view, this was one of the most important actions taken by the Board this year. The Directors fully engaged in the process, and the result was a number of positive outcomes, all of which will greatly support the ongoing and future work of the Trust.

A well run charity will have an effective internal administration and a clear external message. In this regard, the Trust is fortunate to have Greg McKinley as its Director of Operations. The papers and other materials available to the Board at its regular meetings are of a high quality, and include not only its Minutes but also comprehensive information on the Trust's activities, finances, project deliveries and new enquiries. The Trust's external communications, overseen by Jackie Logan and her colleagues at Naked PR, are an important part of ensuring that it engages effectively with its delivery partners and reaches those whom it can support.

The Board recognises the importance of ensuring that there is good public awareness of what it funds, and equally what it does not fund. The Trust's application process is clear, and it utilises an Expression of Interest enquiry so that anyone considering making a full application will be aware at an early stage if their request for funding would fail to meet the Trust's criteria. This represents good practice, particularly in the charitable sector where the resources available to potential applicants may well be limited, and avoids the frustration of unnecessary time-consuming applications that must inevitably be rejected.

I am also satisfied that internal procedures for the management of its award applications, and the review of its funded projects, remain robust.

Risk management remains a recurrent agenda item for all Trustee meetings, and the Board's approach to risk management is appropriate to the needs of the Trust.

Taken together, I am reassured that there is good governance by the Trust in the administration of its projects and its ongoing operations.

### Financial Matters

I have separately considered the continuing 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. In the course of this year, the Board, in conjunction with its investment manager, reviewed and amended its existing investment strategy to take account of a number of factors, including the reducing time horizon of its investment portfolio, the relative performance of the different components of the portfolio, and the ongoing and future cash needs of the Trust. I am satisfied that this was an appropriate course of action and that the Trust's attitude to risk is prudent and suitable to the ongoing and longer term needs of the Trust.

# **THE GALLAHER TRUST**

## **REPORT OF THE TRUST PROTECTOR (*continued*)**

### **Conclusion**

I am pleased to report that the management and governance of the Trust remain strong and that it is well positioned to ensure the successful delivery of its charitable objectives.

*Michael Wilson*

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**Michael Wilson**

2<sup>nd</sup> January 2025

# 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 2024. 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

It is the directors of Gallaher Corporate Trustee Limited who act as the de facto Trustees of the Charity and are considered the key management personnel of the Trust. All the Trustees provide their services on a voluntary basis, and none received any form of remuneration or reimbursement of expenses.

The Trust has an induction programme for new Trustees who are advised of their legal obligations as Trustees, briefed on the governance and structure of the Trust and provided with an overview of the Trust's performance in meeting its charitable purposes.

All the directors of the corporate trustee commit to a Code of Conduct and are required to disclose all relevant interests, register them with the Board and in accordance with the Trust's policy withdraw from discussion / decisions where a perceived or actual conflict of interest arises.

### 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.

### Volunteers

The Trust operates as a funding body to promote the activities listed above. Aside from the directors of the corporate trustee, who provide their services on a voluntary basis, volunteers are not required.

### Achievements and performance

In the financial period, the Trust provided funding in excess of £410,000, which brings the total since commencement to £1,855,892. In total the Trust has committed to funding of up to £2,784,597, resulting in a forward commitment of up to £928,705 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.

# THE GALLAHER TRUST

## TRUSTEE REPORT *(continued)*

### 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 £4.2M.

Investment income for the period amount to £125,867 which was in line with expectation. Gains, losses and revaluations of the share portfolio resulted in a surplus of £509,789. After the deduction of expenditure of £505,450 a net surplus of £130,206 was reported for the year.

During the year the Trustees agreed to the recommendation made by the Investment Managers to reduce the level of risk in the investment portfolio. The reasons for doing so were:

- a desire to reduce volatility and increase liquidity as the Trust enters the next phase of cash requirements,
- the current rates of return of fixed income assets as compared to prior years,
- the reduced time horizon of the Portfolio moving forward, and
- the proposed future increase in the withdrawal rate.

### Structure, governance and management

The charity is a charitable trust governed by its Trust Deed, created on 1<sup>st</sup> 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.

### 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.

# THE GALLAHER TRUST

## TRUSTEE REPORT *(continued)*

### 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.

### Auditors

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

Approved by the Board as at 7th February 2025 and signed on its behalf by:

*James Perry*

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**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 2024 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 2024 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.

# THE GALLAHER TRUST

## 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 information given in the trustees' report is inconsistent in any material respect with the financial statements; 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.

# THE GALLAHER TRUST

## 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](http://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 company's members, as a body, in accordance with Charities Act (Northern Ireland) 2008. 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.

*Peter Stevenson*

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**Peter Stevenson**  
**Senior Statutory Auditor**

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

7th February 2025

# THE GALLAHER TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> OCTOBER 2024

		Unrestricted Funds	Restricted Funds	Total	Total
		2024	2024	2024	2023
	Note	£	£	£	£
<b>Incoming resources</b>					
Investment income	4	-	125,867	125,867	119,172
Donations	4	-	-	-	15,000
<b>Total income</b>		<b>-</b>	<b>125,867</b>	<b>125,867</b>	<b>134,172</b>
<b>Resources expended:</b>					
Charitable activities	5	-	505,450	505,450	526,185
<b>Total expenditure</b>		<b>-</b>	<b>505,450</b>	<b>505,450</b>	<b>526,185</b>
Net gains on investments	6	-	509,789	509,789	902
<b>Net movement in funds before transfers</b>		<b>-</b>	<b>130,206</b>	<b>130,206</b>	<b>(391,111)</b>
Transfers between funds	7	-	-	-	-
<b>Net movement in funds</b>		<b>-</b>	<b>130,206</b>	<b>130,206</b>	<b>(391,111)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		-	4,075,848	4,075,848	4,466,959
<b>Total funds carried forward</b>		<b>-</b>	<b>4,206,054</b>	<b>4,206,054</b>	<b>4,075,848</b>

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 31<sup>ST</sup> OCTOBER 2024

	Note	2024 £	2023 £
<b>Fixed assets</b>			
Intangible fixed assets	9	1,668	2,502
Tangible fixed assets	10	526	701
Investments	11	4,075,801	3,874,646
		<u>4,077,995</u>	<u>3,877,849</u>
<b>Current assets</b>			
Bank and cash		136,954	221,703
		<u>136,954</u>	<u>221,703</u>
<b>Creditors: falling due within one year</b>	12	8,895	23,704
		<u>8,895</u>	<u>23,704</u>
<b>Net current assets</b>		<u>128,059</u>	<u>197,999</u>
<b>Total net assets</b>	13	<u>4,206,054</u>	<u>4,075,848</u>
<b>Restricted funds</b>			
Restricted income funds	14	4,206,054	4,075,848
<b>Total restricted funds</b>		<u>4,206,054</u>	<u>4,075,848</u>
Unrestricted funds	14	-	-
<b>Total charity funds</b>		<u>4,206,054</u>	<u>4,075,848</u>

The financial statements on pages 11 to 20 were approved by the Trustee as at 7th February 2025 and signed on its behalf by:

*James Perry*

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**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 2024

	2024	2023
	£	£
<b>Cash flows from operating activities</b>		
Net incoming/(outgoing) resources	130,206	(391,111)
Net (gains)/losses on investments	(509,789)	(902)
Depreciation and amortisation	1,009	1,009
(Decrease)/increase in creditors	(14,809)	19,015
<b>Net cash outflow from operating activities</b>	<b>(393,383)</b>	<b>(371,989)</b>
<b>Cash flows from investing activities</b>		
Expenditure on tangible fixed assets	-	(876)
Proceeds from the sale of portfolio shares	752,640	596,325
Purchase of investments through portfolio	(451,640)	(387,110)
<b>Net cash inflow from investing activities</b>	<b>301,000</b>	<b>208,339</b>
<b>Net decrease in cash for the year</b>	<b>(92,383)</b>	<b>(163,650)</b>
Cash and cash equivalents at the beginning of the year	379,503	543,153
<b>Cash and cash equivalent at the end of the year</b>	<b>287,120</b>	<b>379,503</b>
<b>Cash and cash equivalents</b>	<b>2024</b>	<b>2023</b>
	£	£
Cash at bank	136,954	221,703
Cash held in investment portfolio	150,166	157,800
<b>Cash and cash equivalent at the end of the year</b>	<b>287,120</b>	<b>379,503</b>

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 2024

### 1. Trust information

The Trust was established in Northern Ireland under the Trust Deed dated 1<sup>st</sup> November 2016. The address of the registered office is 22-30 Broadway Avenue, Ballymena, BT43 7AA. The financial statements were authorised for issue by the Board on 7th February 2025.

### 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 accounts are prepared in sterling, which is the functional currency of the charity.

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. Gains and losses from the sale of investments are recognised within 'Net gains/(losses) on investments'.

#### **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.

#### **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)."

# THE GALLAHER TRUST

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 2. Accounting policies *(continued)*

#### **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.

#### **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.

Gains and losses arising from the revaluations are recognised within 'Net gains/(losses) on investments' in the Statement of Financial Activities.

#### **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 2024 £	Restricted Funds 2024 £	Total 2024 £	Total 2023 £
Interest received from investments	-	50,362	50,362	39,224
Dividends received	-	75,505	75,505	79,948
Donations received	-	-	-	15,000
	<u>-</u>	<u>125,867</u>	<u>125,867</u>	<u>134,172</u>

### 5. Charitable activities

	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total 2024 £	Total 2023 £
Trust Protector	-	7,500	7,500	7,500
Board meeting expenses	-	451	451	2,399
Event expenditure	-	-	-	24,252
Sponsorship	-	1,200	1,200	1,200
General	-	3,304	3,304	494
Award Funding	-	411,261	411,261	410,446
Public relations and communication	-	28,808	28,808	27,328
Portfolio management fees	-	24,501	24,501	24,894
Auditors remuneration – audit services	-	1,740	1,740	1,620
Bank fees	-	195	195	184
Management charges	-	25,481	25,481	24,859
Depreciation	-	1,009	1,009	1,009
	<u>-</u>	<u>505,450</u>	<u>505,450</u>	<u>526,185</u>

# THE GALLAHER TRUST

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 6. Net gains/(losses) on investments

	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total 2024 £	Total 2023 £
Gains on disposal of shares	-	61,978	61,978	33,848
Fair value gains/(losses) on revaluation of investments	-	447,811	447,811	(32,946)
	<u>-</u>	<u>509,789</u>	<u>509,789</u>	<u>902</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

The Trust does not employ any staff. None of the directors of the corporate Trustee received any remuneration nor reimbursement for expenses. The trust protector received remuneration of £7,500 (2023: £7,500) in fulfilment of the duties of this role.

### 9. Intangible fixed assets

	Website Development	Total £
<b>Cost</b>		
As at 1 <sup>st</sup> November 2023 and 31 <sup>st</sup> October 2024	<u>4,170</u>	<u>4,170</u>
<b>Amortisation</b>		
As at 1 <sup>st</sup> November 2023	1,668	1,668
Amortisation charge for the year	834	834
<b>As at 31<sup>st</sup> October 2024</b>	<u><b>2,502</b></u>	<u><b>2,502</b></u>
<b>Net book value at 31<sup>st</sup> October 2024</b>	<u><b>1,668</b></u>	<u><b>1,668</b></u>
Net book value at 31 <sup>st</sup> October 2023	<u>2,502</u>	<u>2,502</u>

# THE GALLAHER TRUST

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 10. Tangible fixed assets

	Office Equipment £	Total £
<b>Cost</b>		
As at 1 <sup>st</sup> November 2023	2,071	2,071
Additions	-	-
<b>As at 31<sup>st</sup> October 2024</b>	<b>2,071</b>	<b>2,071</b>
<b>Depreciation</b>		
As at 1 <sup>st</sup> November 2023	1,370	1,370
Depreciation charge for the year	175	175
<b>As at 31<sup>st</sup> October 2024</b>	<b>1,545</b>	<b>1,545</b>
<b>Net book value at 31<sup>st</sup> October 2024</b>	<b>526</b>	<b>526</b>
Net book value at 31 <sup>st</sup> October 2023	701	701

### 11. Investments

	2024 £	2023 £
Opening investment	3,874,646	4,236,266
Interest received	50,362	39,224
Dividends received	75,505	79,948
Profit/(loss) on disposal of share investments	61,978	33,848
Management fees	(24,501)	(24,894)
Fair value gains/(losses) on the revaluation of shares	447,811	(32,946)
Withdrawals	(410,000)	(456,800)
	<b>4,075,801</b>	3,874,646
<b>Comprised of:</b>		
Listed investments	3,925,635	3,716,846
Cash and cash equivalents	150,166	157,800
	<b>4,075,801</b>	3,874,646

# THE GALLAHER TRUST

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### 12. Creditors: amounts due within one year

	2024	2023
	£	£
Other creditors and accruals	<b>8,895</b>	23,704

### 13. Analysis of net assets

	Unrestricted	Restricted General	Total
	£	£	£
Fixed assets	-	2,194	2,194
Investments	-	4,075,801	4,075,801
Current assets	-	136,954	136,954
Current liabilities	-	(8,895)	(8,895)
<b>Net assets at 31st October 2024</b>	<b>-</b>	<b>4,206,054</b>	<b>4,206,054</b>

### 14. Funds of the charity

	At 1st November 2023	Income	Investment gains & losses	Expenditure	At 31st October 2024
	£	£	£	£	£
<b>Restricted funds</b>					
Restricted income funds	4,075,848	125,867	509,789	(505,450)	4,206,054
	<u>4,075,848</u>	<u>125,867</u>	<u>509,789</u>	<u>(505,450)</u>	<u>4,206,054</u>
<b>Unrestricted funds</b>					
General fund	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total funds</b>	<b><u>4,075,848</u></b>	<b><u>125,867</u></b>	<b><u>509,789</u></b>	<b><u>(505,450)</u></b>	<b><u>4,206,054</u></b>

#### 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:

	2024	2023
	£	£
Financial assets measured at fair value	<b>3,925,635</b>	3,716,846
Financial assets measured at amortised cost	<b>287,120</b>	379,503
Financial liabilities measured at amortised cost	<b>8,895</b>	23,704

### 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 £928,705 (2023: £1,339,966)

### 18. Controlling party

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