

HESTERCOMBE GARDENS TRUST LIMITED

England & Wales · Charity number 1060000

Details

Status	Registered
Legal form	Charitable company
Company number	03287766
Registered	1997-01-07
Register	View on the Charity Commission register

Contact

Address	Forvis Mazars Llp Building C Assembly Bristol Cheese Lane Bristol BS2 0JJ
Phone	01179281700
Email	ENDRIS.TALANI@MAZARS.CO.UK
Website	WWW.FORVISMAZARS.COM/UK

Activities

Objects: TO PRESERVE, ENHANCE, RESTORE AND RECLAIM (WHERE NECESSARY) FOR THE PUBLIC BENEFIT AND EDUCATION ALL GARDENS AND BUILDINGS OF SPECIAL INTEREST OR ARCHITECTURAL INTEREST ASSOCIATED WITH HESTERCOMBE HOUSE, CHEDDON FITZPAINE

Activities: The restoration and maintenance of all the historic gardens and buildings at Hestercombe for the benefit and education of the public.

Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** Education/training, Arts/culture/heritage/science, Amateur Sport, Environment/conservation/heritage
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** CHEDDON FITZPAINE
- Somerset

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31		-	-	-
2023-12-31	£2,257,370	£2,654,162	£10,884,778	65
2022-12-31	£2,646,780	£2,640,032	£11,096,570	65
2021-12-31	£2,988,261	£2,370,443	£11,089,822	60
2020-12-31	£1,846,319	£1,704,948	£10,421,744	56
2019-12-31	£2,149,201	£2,257,397	£10,280,373	62

Trustees

Name	Role	Appointed
CHARLES HIND		2023-07-14
Catherine Pease		2017-12-01
Christopher Ormrod		2023-12-01
John Abbott		2022-12-02
LADY JOSEPHINE WALEY-COHEN		2015-07-24
Rebecca Pow		2024-10-11
Roger Lambert		2022-12-02

HESTERCOMBE GARDENS TRUST LIMITED

England & Wales - Charity number 1060000

Accounts

Hestercombe Gardens Trust
(A Charitable Company Limited by Guarantee)
Annual Report and Financial Statements

For the Year Ended 31 December 2023

Company Number: 03287766
Charity Registered in England and Wales Number: 1060000

Hestercombe Gardens Trust

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Hestercombe Gardens Trust

Reference and Administrative Details

For the Year Ended 31 December 2023

Trustee Directors

John Abbott MSc
Dr Marion Harney, FHEA
Roger Lambert MA
Catherine O'Sullivan, MSc
Catherine Pease, MA (Cantab), AADip, RIBA
Josephine Waley-Cohen
Christopher Ormrod
John Williams
Charles Hind

Secretary

Nicholas Francombe LLB

Chief Operating Officer

Richard Mira

Charity Number

1060000

Company Number

03287766

Principal Address and Registered Office

Hestercombe Gardens
Cheddon Fitzpaine
Taunton
Somerset
TA2 8LQ

Auditors

Albert Goodman LLP
Goodwood House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

Bankers

Triodos Bank NV	HSBC Bank Plc	CAF Bank
Deanery Road	17 North Street	25 Kings Hill Avenue
Bristol	Taunton	Kings Hill
BS1 5AS	Somerset	West Malling
	TA1 1NA	Kent
		ME19 4JQ

Solicitors

Clarke Willmott LLP
Blackbrook Gate
Taunton
Somerset
TA1 2PG

Hestercombe Gardens Trust
Trustee Directors' Report
For the Year Ended 31 December 2023

The Trustees, who are also directors for the purposes of the Companies Act, present their report and the financial statements of the charity for the year ended 31 December 2023, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

References and Administrative Details

Administrative information is given in a separate section at the front of these accounts.

Directors and Trustees

The directors of the Company are the Charity's trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees serving during the year and since the year end are as follows:

John Abbot MSc (Chair)	
Roger Lambert MA	
Catherine O'Sullivan, MSc	
Catherine Pease, MA (Cantab), AADip, RIBA	
Josephine Waley-Cohen	
Christopher Ormrod	(Appointed 1 December 2023)
Charles Hind	(Appointed 14 July 2023)
Linda Phillips (Chair Designate)	(Resigned 29 June 2023)
Godfrey Davis, FCA	(Resigned 21 April 2023)
Cllr Marcia Hill	(Resigned 27 January 2023)
Jo Matthews, MSc	(Resigned 21 April 2023)
Rupert Taylor, BSc Hons, FCCA	(Resigned 29 June 2023)
Dr Marion Harney FHEA	(Resigned 12 May 2024)
John Williams	(Resigned 1 July 2024)

None of the Trustees have any beneficial interest in the Company. All of the Trustees are members of the Company and guarantee to contribute £10 in the event of a winding up.

Structure Governance and Management

The articles of association currently provide that there must be between seven and ten trustees. The appointment of replacement trustees is at the discretion of the Company in general meeting.

It is the policy of the Trust to seek to appoint as trustees leaders in their field with a keen interest in the objectives of the Trust and to obtain a balance of skills. All appointments are made in line with Charity Commission guidelines. All newly appointed trustees follow an induction process and there is a programme of ongoing trustee training.

The Trustees have responsibility for setting the policy for achieving the objectives of the Trust; this is then carried out by the Chief Executive and the executive management team. The commercial activities, including the running of events, functions and weddings, catering and retail activities are carried out through a wholly owned subsidiary, Hestercombe Gardens Limited.

Hestercombe Gardens Trust

Structure Governance and Management (cont'd)

Philip White MBE retired as Chief Executive in March 2024 and in July 2024, John Williams was appointed as Executive Chair of the Trust on a part-time basis and oversees the executive team. Chief Operating Officer Richard Mira, who is a Director of Hestercombe Gardens Limited, oversees the day-to-day management of operations. The executive team, Warren Leavens, Estates Manager; Michael Matravers, Finance manager; Tim Martin, Creative Director (Resigned July 2024); Matthew Philpott, Head of Marketing (left the company February 2024 replaced by Jemma Gillard) and Claire Greenslade, Head Gardener, assist him. The profits arising from the trading activities are returned to the Trust in furtherance of its objectives.

The Risk Register is regularly reviewed and updated by both the Trustees and the executive management team in accordance with the trust's strategic plans and ambitions.

The Trustees are very conscious of their duty to promote public access to Hestercombe, to manage the heritage assets in a socially inclusive way and to continue to grow Hestercombe into a site of national and international importance and an economic and cultural driver of regional prosperity. Their policy is to remunerate all their staff fairly in accordance with good practice, observing appropriate legislation, e.g. regarding the minimum wage, diversity, etc., while at the same time ensuring the health, safety, and personal advancement of all staff while operating in a financially prudent and sustainable way.

All Trustees of Hestercombe Gardens Trust serve as volunteers and are unpaid; some claim travel expenses when attending meetings. A Governance and Organisational Structure Committee, composed of at least two Trustees, meets five times a year and considers senior executive pay and reports to Trustees at each full meeting of Trustees. Remuneration for the part time Executive Chair is set by the Committee with advice from the Trust's financial advisor and is benchmarked against comparable roles as far as this is possible.

The remuneration of the four full-time (Chief Operating Officer, Finance Manager, Estates Manager, and Head Gardener) and one part-time (Creative Director) senior executive staff was set by the former Chief Executive in accordance with their individual contracts and reported to the Governance and Organisational Structure Committee.

Objectives and Activities

The Charity's objects (the "Objects") are for the education and benefit of the public to:

- (1) reclaim, restore, preserve, enhance and develop the landscape, gardens and buildings of heritage, horticultural or architectural interest associated with Hestercombe; and
- (2) maintain develop enhance and preserve and provide public access to archives databases and collections relating to landscapes, gardens, and buildings of heritage, horticultural or architectural interest; and
- (3) undertake and support educational work and research and provide resources for the public relating to landscapes, gardens, and buildings of heritage, horticultural or architectural interest.

Attracting visitors and members to Hestercombe, giving them a positive and engaging experience and opportunities to explore, learn and relax, is central to our Visitor Experience and to our Engagement strategic objective in addition to financial sustainability.

Objectives and Activities (cont'd)

Visitor numbers and membership targets are the driver for all of our trading activities, which, unfortunately did not meet expectation for 2023 (67,500 garden visitors vs target of 75,000; and 3,800 memberships vs target of 4,600). The lowest since we acquired the House in 2014.

Since the pandemic all businesses within our sector have struggled (as documented in the wider media) which has only worsened since the beginning of the war in Ukraine, which led to what was widely described as a 'cost of living' crisis, accompanied with the energy price hike which contributed to reduced visitor numbers and members. This fall was compounded by reduced visitor spend as visitors continued to economise.

Planning permission for the restoration and development of Hestercombe House was finally granted in September 2023 with a number of conditions including the requirement to obtain a bat mitigation licence from Natural England. The restoration of the Holm Oak avenue within the formal garden and the Sweet Chestnut avenue within the landscape garden will be completed in early 2024 thanks to a successful sponsorship campaign. An agreement was finally reached with the Crown Estate to acquire 28 acres at Gotton, the only remaining part of the grade1 historic landscape not under the beneficial management of the trust, with funding from the National Heritage Memorial Fund and the generous support of private benefactors.

Achievements and Performance

2023 saw a number of refurbishment and redecoration projects completed around the estate including the plant sales area, and external redecoration of the Chauffeur's Cottage and the Bampfylde Hall.

We also took the opportunity to complete some much needed maintenance work during the quieter visitor months. Roof, gutter and drain clearance work around Hestercombe House were completed and ongoing roof leaks were resolved. The rotten floors in the visitor toilets by the restaurant were replaced and repair work to the Orangery doors completed following storm damage. Repairs were also undertaken to the Chinese Seat and the Mausoleum.

We were delighted to install a fully accredited Changing Places Toilet within Hestercombe House, one of only three within Taunton, which enables more visitors with a disability and their carers to visit Hestercombe. This was fully funded by Somerset Community Fund and Reflect one of our tenants which support adults with Profound and Multiple Learning Difficulties.

In March the West of England Centre for Inclusive Living (WECIL) completed an access audit for Hestercombe House and Gardens. As an organisation wishing to be wholly committed to the principle and aims of the Equality Act this was a vital piece of work for us to undertake and has resulted in some very helpful recommendations in order to make Hestercombe truly inclusive. A full copy of the report is available upon request.

Following the success of the light show, Illuminate, in November/December for two consecutive years, an increased investment was made for 2023 to create an even more spectacular event which was extremely successful and saw ticketing revenue grow to £201k (from £135k in 2022) and £73.8 catering revenue driven by a new pre dining offer and increased footfall.

The trust appointed Croner Group to provide HR, employment law and health and safety services to the Trust. The contract replaced health and safety support from SSG Training and Consultancy which not only delivered a cost saving, but integrated these key services on one easily accessible platform for staff.

Hestercombe Gardens Trust

Trustee Directors' Report

For the Year Ended 31 December 2023

Public Benefit and Engagement

As part of working towards becoming an accredited museum, after evaluating several collection management systems, the preferred option, Collection Space was commissioned and implemented.

On 11th February sculptor Sir Richard Long gave a talk about his work, together with photographer Jem Southam, curator Nicholas Alfrey and art historian and curator Joy Sleeman; the event was sold out with over 60 attendees. All talks were recorded and were broadcast through social media and on Vimeo.

Our contemporary art programme began in March with the 'Design for Life: Art and Architecture' exhibition, with lots of tours and schools' engagement continuing.

Susan Derges' exhibition 'Many Moons' opened in July, following a successful private view. It proved to be a very popular show with many visitors visiting Hestercombe specifically for the exhibition. Alongside this exhibition we published 3 new poetry books relating to the artist's work, and held an event featuring the artist, poets and photography expert Mark Howard-Booth OBE.

The winter exhibition 'Landscapes of Progress?', which opened in November, featured work by Rebecca Chesney, Simon Hitchens, Marie-Louise Jones, Hugo Lami, Madinah Farhannah Thompson and Mirte van Duppen. Various exhibition tours were carried out for staff and visitors.

Two new 'Ingram Collections' artists in residence for this year, Eleanor Sanghara and Camilla Bliss, visited Hestercombe during the summer and we also welcomed Hannah Fletcher, from the Sustainable Darkroom, Madinah Farhannah Thompson and Rebecca Chesney on residences.

Hestercombe offers free admission to all state schools in Somerset and during 2023 we were pleased to welcome 559 children during fifteen school visits.

Our discussions with Gloucestershire University about joint creative projects looking at climate change and arts and heritage continued throughout the year, as did school sessions through SPAEDA and the Quantock Learning Partnership Scheme. Several visits from Priorswood Community Centre took place throughout the year as we continue to develop relationships with local groups.

Head Gardener, Claire Greenslade, attended a two day conference at Chatsworth for the Garden Masterclass event entitled 'Growth and change - managing a dynamic landscape into the future'. Claire and two other female head gardeners (Katy Merrington from the Hepworth and Lizzie Balmforth from the Mount St John estates in Thirsk) led a round table discussion about what the role of the head gardener is, how it might adapt, and if being female impacts the role.

Financial review

The Trust reported a net expenditure for the year of £396.8k (2022: net income of £6.75k). Total income fell from £2.65m in 2022 to £2.26m in 2023 reflecting the poor weather during the Summer of 2023.

Income from trading activities continued its recovery showing relative consistency in 2023. In 2021 trading income amounted to only £1.17m. It grew to £1.52m in 2022 and in the current year fell slightly to £1.49m. Hestercombe Gardens Limited paid rent to the Trust of £17.75k (2022: £46.25k) and in difficult trading conditions made a surplus of £16.7k (2022: £8.6k)

The Trust is greatly indebted to the givers of grants and donations which amounted to £149.7k in 2023 (2022: £489.5k); details of major donors can be found in the notes to the accounts.

Financial review (cont'd)

As a result of the grants, donations trading activities and other Trust income the Trust was able to expend £1.529m on charitable activities during the year (2022: £1.484m). The deficit incurred decreased the Trust's total assets to £10.885m (2022: £11.097m).

Reserves policy

The current reserves policy reflects the long term nature of the charity and the investment that has needed to be made to protect it. Long term aspirations and potential income generation has been put before the building up of unrestricted reserves in the short term. The result of this is that there is a deficit in freely available reserves (unrestricted reserves less fixed assets net of long term debt) of £229k (2021: £15k) at the year end.

Auditors

The auditors, Albert Goodman LLP, are deemed to be re-appointed under Section 487(2) of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Statement of trustees' responsibilities

The Trustees (who are directors of the Hestercombe Gardens Trust Limited for the purposes of company law) are responsible for preparing the Trustee Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standard have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that 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. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure to our auditors

In so far as the Trustees are aware at the time of approving our Trustees' annual report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report of which the group's auditor is unaware; and
- The trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all the steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of the information.

By order of the Trustees.

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John Abbott MSc
Trustee
Hestercombe Gardens Trust
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Hestercombe Gardens Trust

Independent Auditors' Report to the Trustees and Members
For the Year Ended 31 December 2023

Opinion

We have audited the financial statements of Hestercombe Gardens Trust (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2023, which comprise the consolidated Statement of Financial Activities, the consolidated and parent charitable company Balance Sheets, the consolidated and parent charitable company Statement of Cash Flows, 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 Generally Accepted Accounting Practice, including Financial Reporting Standard 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 December 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;

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.

Material uncertainty related to going concern

We draw attention to Note 1.1 in the financial statements, which indicates that the group incurred a net loss of £211,792 during the year ended 31 December 2023 and, as of that date, the group's current liabilities exceeded its current assets by £618,919. As stated in Note 1.1, these events or conditions, along with other matters as set forth in Note 1.1, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

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

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

Key audit matters

Except for as described in the Material uncertainty related to going concern section, we have determined that there are no other key audit matters to be communicated in our report.

Hestercombe Gardens Trust

Independent Auditors' Report to the Trustees and Members

For the Year Ended 31 December 2023

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

Opinion 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 have 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' Report.

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

- adequate 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 company 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 prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Hestercombe Gardens Trust

Independent Auditors' Report to the Trustees and Members

For the Year Ended 31 December 2023

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities (set out on page 8), the trustees (who are also the directors of the parent charitable company for the purposes of company law) are 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 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 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 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

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:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- 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;
- we identified the laws and regulations applicable to the company through discussions with trustees and other management, and from our commercial knowledge and experience of the 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 group, including the Companies Act 2006, Charities Act 2011, employment, environmental, food hygiene legislation and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

Hestercombe Gardens Trust

Independent Auditors' Report to the Trustees and Members

For the Year Ended 31 December 2023

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Use of our report

This report is made solely to the group and parent 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 group and parent 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 group and parent charitable company and the group and parent charitable company's members as a body and the parent charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Robert Oram BFP FCA (Senior Statutory Auditor)
for and on behalf of Albert Goodman LLP, Statutory Auditor

Goodwood House
Blackbrook Park Avenue
Taunton
TA1 2PX

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Hestercombe Gardens Trust

Consolidated Statement of Financial Activities (including an Income & Expenditure account)

For the Year Ended 31 December 2023

		2023			2022		
		Unres- tricted	Res- tricted	Total	Unres- tricted	Res- tricted	Total
	Notes	£	£	£	£	£	£
Income from:							
Grants, donations and legacies	2	13,580	136,077	149,657	365,012	124,527	489,539
Charitable activities	3	620,892	-	620,892	636,435	-	636,435
Other trading activities	4	1,486,817	-	1,486,817	1,520,734	-	1,520,734
Investments	5	4	-	4	72	-	72
Total income		2,121,293	136,077	2,257,370	2,522,253	124,527	2,646,780
Expenditure on:							
Trading costs	6	1,125,632	-	1,125,632	1,155,984	-	1,155,984
Charitable activities	6	1,459,560	68,970	1,528,530	1,424,457	59,591	1,484,048
Total expenditure		2,585,192	68,970	2,654,162	2,580,441	59,591	2,640,032
Net income/(expenditure) for the year		(463,899)	67,107	(396,792)	(58,188)	64,936	6,748
Gain on revaluation of investment property	13	185,000	-	185,000		-	
Transfer between funds	19	40,921	(40,921)	-	87,611	(87,611)	-
Net movement in funds for the year		(237,978)	26,186	(211,792)	29,423	(22,675)	6,748
Reconciliation of funds							
Total funds brought forward		11,091,545	5,025	11,096,570	11,062,122	27,700	11,089,822
Total funds carried forward		10,853,567	31,211	10,884,778	11,091,545	5,025	11,096,570

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

All income and expenditure derive from continuing activities.

Hestercombe Gardens Trust – Company Registration Number: 03287766**Balance Sheet and Consolidated Balance Sheet**

As at 31 December 2023

		2023		2022	
		£	£	£	£
	Notes	Group	Charity	Group	Charity
Fixed assets					
Tangible fixed assets	11	527,387	527,387	569,917	569,917
Heritage assets	12	10,792,172	10,792,172	10,791,626	10,791,626
Investment property	13	1,235,000	1,235,000	1,050,000	1,050,000
Investments	14	-	1	-	1
		<u>12,554,559</u>	<u>12,554,560</u>	<u>12,411,543</u>	<u>12,411,544</u>
Current assets					
Stock	15	30,974	-	30,702	-
Debtors	16	78,328	71,117	121,169	123,341
Cash at bank and in hand		85,947	33,699	88,027	68,298
		<u>195,249</u>	<u>104,816</u>	<u>239,898</u>	<u>191,639</u>
Liabilities:					
Creditors: amounts falling due within one year	17	(814,168)	(722,921)	(464,144)	(398,356)
		<u>(618,919)</u>	<u>(618,105)</u>	<u>(224,246)</u>	<u>(206,717)</u>
Net current liabilities					
		<u>(618,919)</u>	<u>(618,105)</u>	<u>(224,246)</u>	<u>(206,717)</u>
Amounts falling due after more than one year	18	(1,050,862)	(1,050,862)	(1,090,727)	(1,090,727)
		<u>(1,050,862)</u>	<u>(1,050,862)</u>	<u>(1,090,727)</u>	<u>(1,090,727)</u>
Total net assets		<u>10,884,778</u>	<u>10,885,593</u>	<u>11,096,570</u>	<u>11,114,100</u>
The funds of the charity:					
Unrestricted funds:					
General funds	19	10,853,567	10,854,382	11,091,545	11,109,075
Restricted funds	19	31,211	31,211	5,025	5,025
		<u>10,884,778</u>	<u>10,885,593</u>	<u>11,096,570</u>	<u>11,114,100</u>
Total charity funds		<u>10,884,778</u>	<u>10,885,593</u>	<u>11,096,570</u>	<u>11,114,100</u>

Hestercombe Gardens Trust – Company Registration Number: 03287766

Balance Sheet and Consolidated Balance Sheet

As at 31 December 2023

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared and delivered in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes on pages 17 – 37 form part of these accounts.

Approved by the Board on and signed on their behalf by:

.....
John Abbott MSc
Trustee

Hestercombe Gardens Trust**Statement of Cash Flows and Consolidated Statement of Cash Flows**

For the Year Ended 31 December 2023

		2023		2022	
		£	£	£	£
	Notes	Group	Charity	Group	Charity
Cash flows from operating activities					
Net income/(expenditure) for the year		(211,792)	(228,507)	6,748	(1,836)
Adjustments to cash flows from non-cash items:					
Depreciation and amortisation	11	113,342	113,342	118,414	118,414
Finance Income	5	(4)	(4)	(72)	(72)
Finance expense		74,564	74,564	36,738	36,738
Loan forgiven		(94,817)	(94,817)	(325,276)	(325,276)
Revaluation of investment property		(185,000)	(185,000)	-	-
		(303,707)	(320,422)	(163,448)	(172,032)
Working capital adjustments					
Decrease/(increase) in stocks	13	(271)	-	3,376	-
(Increase)/decrease in debtors	14	42,841	52,224	174,179	262,393
Increase in creditors	15	80,979	55,521	(242,213)	(29,421)
Net cash flow from operations		(180,158)	(212,677)	(228,106)	60,940
Cash flows from investing activities					
Purchase of tangible fixed assets	11	(70,811)	(70,811)	(273,937)	(273,937)
Purchase of heritage assets	12	(546)	(546)	(18,200)	(18,200)
Purchase of investment property	13	-	-	-	-
Interest received	5	4	4	72	72
		(71,353)	(71,353)	(292,065)	(292,065)
Cash flows from financing activities					
Interest paid	7	(74,564)	(74,564)	(36,738)	(36,738)
Receipt from drawdown of loan	18	-	-	200,000	200,000
Repayment of loans and hire purchase	18	74,613	74,613	(49,338)	(49,338)
		49	49	113,924	113,924
Net decrease in cash and cash equivalents		(251,462)	(283,981)	(406,247)	(117,201)
Cash and cash equivalents at the beginning of the reporting period		88,027	68,298	494,274	185,499
Cash and cash equivalents at the end of the reporting period		(163,435)	(215,683)	88,027	68,298
Cash & Cash equivalents reconciliation:					
Cash at bank		(163,435)	(215,683)	88,027	68,298
Total cash & cash equivalents at the end of the reporting period		(163,435)	(215,683)	88,027	68,298
Analysis of cash and cash Equivalents					
Cash in hand		85,947	33,699	88,027	68,298
Overdraft facility repayable on demand		(249,382)	(249,382)	-	-
Total cash & cash equivalents at the end of the reporting period		(163,435)	(215,683)	88,027	68,298

1 Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are as follows:

1.1 Basis of accounting

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) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Hestercombe Gardens Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s) and all amounts are presented in £ sterling.

These financial statements consolidate the results of the Charity and its wholly owned subsidiary, Hestercombe Gardens Limited, on a line by line basis. The "Group" heading within the balance sheet refers to the consolidated accounts of the Hestercombe Gardens Trust Limited and Hestercombe Gardens Limited.

In the parent company financial statements the investment in the trading subsidiary is accounted for at cost less impairment.

A separate Statement of Financial Activities or income and expenditure account, for the Charity itself has not been presented because the Charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006.

Going Concern

The group incurred a net loss of £211,792 during the year ended 31 December 2023 and, as of that date, the group's current liabilities exceeded its current assets by £618,919.

In 2018 the Charity obtained and provided significant amounts of funding to purchase the freehold of the estate with a view to protect its future. Once the freehold has been purchased it was planned to start building reserves. Unfortunately since then there have been a number of challenges with the outbreak of Covid-19, cost of living crises and poor weather at critical points of the year. This has had a significant impact upon reserves with additional facilities being required to boost liquid resources. Management have also been monitoring costs closely and reducing them wherever possible during this time, however, current cashflow projections show that the facilities currently in place would not be sufficient to cover expected cash requirements over the next twelve months and therefore if additional actions are not taken the Charity would not be able to pay debts as they fall due.

Management are planning to sell a property and reorganise facilities in place so that liquid resources will be sufficient to cover future cash requirements. Current negotiations with the bank have been positive and they are willing to support the Charity until the property is sold. They will look at current facilities with the Charity after this point and will continue their support for the foreseeable future as long as forecasts are met. The Charity has prepared detailed forecasts that show it will have sufficient funds to meet its liabilities as they fall due for twelve months based on current plans. Post year end trading has been slightly below expectations, but up on last year, with cashflows tracking with forecasts which gives management confidence over the future outlook.

On the basis of the above and offers already being received for the property the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements are prepared on going concern basis.

1.2 Legal status of the Trust

The Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

The company is incorporated in England and Wales and the company registered office is detailed on page 1, reference and administration details.

1.3 Income

Income from grants and donations is recognised in the year in which they are receivable when there is evidence of entitlement, receipt is probable and the amount can be reliably measured. Where income has not been received for gift aid claims relating to donations received in the year, income is accrued.

Income from grants and government grants, where 'capital' or 'revenue', is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Where no conditions are attached to grant income they are recognised within grants, donations and legacies and where conditions relating to performance of services are attached, grant income is recognised income from charitable activities within the Statement of Financial Activities.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income from charitable activities includes membership and admissions income. Membership income is accounted for in full in the year that the membership commences. Admission income is recognised on a cash basis, in the year the income is physically received.

Income from other trading activities is included in the period in which the group is entitled to receipt, it is probable that economic benefits will flow to the entity and the amount can be reliably measured.

1.4 Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1.5 Expenditure

Resources expended are recognised on the accruals basis to match the period in which the expenditure was incurred.

Raising funds is expenditure incurred in generating the trading subsidiary funds and from trading activities carried out by the trust relating to Hestercombe House activities.

Charitable activity expenditure comprises costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and costs of an indirect nature necessary to support them. Support costs include finance, administration, governance and CEO costs and are allocated to the trust charitable services equally.

1.6 Operating leases

The Trust classifies the lease of property as operating leases as title remains with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

1.7 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Trust.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Trust's work or for specific artistic projects being undertaken by the Trust.

1.8 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Tangible fixed assets are normally capitalised where the value of an asset or group of related assets exceeds £500. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life as follows:

Plant and equipment	3, 5, 10, 20 or 25 years straight line
---------------------	--

1.9 Heritage assets

Heritage assets are held in pursuit of overall objectives in relation to the enjoyment and preservation of heritage. Land, buildings and artwork are recognised at cost or, where donated, at the prevailing current market value at the time of donation. In the opinion of the Trustees the heritage assets have a residual value in excess of cost and therefore no depreciation is charged in the accounts, however they are reviewed annually for impairment with any such impairment passing through the SOFA. Expenditure that is required to preserve or prevent further deterioration of heritage assets is recognised in the SOFA as it is incurred.

1.10 Investment properties

Investment properties are initially measured at cost and subsequently at fair value at the reporting date, with all gains and losses passing through the SOFA.

1.11 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.12 Stock

Stock consists of shop stock for resale, ingredients for the tea room and publication stocks. Stock is valued at the lower of cost and net realisable value, after making allowances for obsolete and slow moving stock.

1.13 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.14 Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

1.15 Defined contribution pension

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as staff pension expense through the profit and loss when they are due.

1.16 Taxation

As a registered charity, the company is not liable to corporation tax or capital gains tax to the extent that its income and gains are applicable to charitable purposes only. Value Added Tax is recoverable by the company, and is therefore excluded within the relevant costs in the Statement of Financial Activities. The charity subsidiary is also able to recover Value Added Tax and is therefore excluded within the relevant costs in the Statement of Financial Activities

1.17 Financial instruments

The charity only holds basic financial instruments as defined by FRS 102. The financial assets and financial liabilities of the charitable company are as follows;

Financial assets – trade and other debtors, accrued income, amounts owed by group undertakings and other debtors are basic financial instruments, and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank – classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, amounts owed to group undertakings, bank loans, accrued expenses and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

1.18 Concessionary loan

The Trust obtained a concessionary loan in a previous year to further its charitable aims free of interest. The loan was initially recognised at transactions value and subsequently measured to reflect the repayments and if necessary, any impairments. The loan has been formally forgiven in the current year and has therefore been recognised in the statement of financial activities within donations and legacies.

1.19 Finance lease

The Trust classifies the lease of equipment as a finance lease as substantially all the risks and rewards are retained by the Trust. The equipment is recognised as an asset and the finance loan recognised as a liability in the balance sheet. Payments made under finance leases are charged to the liability in the balance sheet.

Hestercombe Gardens Trust
Notes to the Financial Statements
For the Year Ended 31 December 2023

2 Grants, donations and legacies

	Unres- tricted funds £	Res- tricted funds £	2023 Total £	Unres- tricted funds £	Res- tricted funds £	2022 Total £
Grants						
National Lottery	-	279	279	169	-	169
Heritage Fund						
Arts Council	-	43,544	43,544	-	29,430	29,430
Countryside Stewardship	-		-	-	72,701	72,701
Other grants	-	32,000	32,000	4,361	14,785	19,146
	-	75,823	75,823	4,530	116,916	121,446
Donations and legacies	13,580	60,254	73,834	360,482	7,611	368,093
	13,580	136,077	149,657	365,012	124,527	489,539

3 Charitable activities

	Unres- tricted funds £	Res- tricted funds £	2023 Total £	Unres- tricted funds £	Res- tricted funds £	2022 Total £
Members of Hestercombe subscriptions	294,806	-	294,806	307,767	-	307,767
Admissions	326,086	-	326,086	328,668	-	328,668
	620,892	-	620,892	636,435	-	636,435

4 Other trading activities

	Unres- tricted funds £	Res- tricted funds £	2023 Total £	Unres- tricted funds £	Res- tricted funds £	2022 Total £
Shop sales	101,522	-	101,522	89,387	-	89,387
Café sales	501,750	-	501,750	522,023	-	522,023
Column room sales	-	-	-	-	-	-
Function and events income	646,622	-	646,622	669,319	-	669,319
Property income	42,000	-	42,000	41,071	-	41,071
Education income	37,250	-	37,250	36,289	-	36,289
Other income	51,374	-	51,374	60,115	-	60,115
Rental income	13,500	-	13,500	12,625	-	12,625
Hestercombe House income	92,799	-	92,799	89,905	-	89,905
	1,486,817	-	1,486,817	1,520,734	-	1,520,734

5 Investment income

	Unres- tricted funds £	Res- tricted funds £	2023 Total £	Unres- tricted funds £	Res- tricted funds £	2022 Total £
Bank interest	4	-	4	72	-	72

6 Expenditure

Expenditure on raising funds

	Staff costs £	Other direct costs £	2023 Total £	Staff costs £	Other direct costs £	2022 Total £
Trading costs	582,742	542,890	1,125,632	660,725	495,259	1,155,984
	582,742	542,890	1,125,632	660,725	495,259	1,155,984

Charitable activities

	Staff costs £	Other direct costs £	2023 Total £	Staff costs £	Other direct costs £	2022 Total £
Visitor centre management & marketing	145,528	278,556	424,084	108,945	297,706	406,651
Restoration / maintenance of Gardens	259,984	152,394	412,378	261,610	193,326	454,936
Support costs	292,965	231,625	524,590	243,170	210,548	453,718
Hestercombe House expenses	45,578	121,900	167,478	43,446	125,297	168,743
	744,055	784,475	1,528,530	657,171	826,877	1,484,048

7 Net income/(expenditure) for the year

This is stated after charging:

	Charity		Subsidiary		Total	
	2023	2022	2023	2022	2023	2022
	£	£	£	£	£	£
Depreciation of owned assets						
- Plant and equipment	113,342	116,948			113,342	116,948
Interest payable	74,564	36,738			74,564	36,738
Auditors' remuneration for:						
Audit services	4,000	5,500	2,800	2,000	6,800	7,500
Accounting services	3,963	4,113	513	513	4,476	4,626
	<u>121,269</u>	<u>136,699</u>	<u>3,313</u>	<u>2,513</u>	<u>124,582</u>	<u>143,837</u>

8 Trustee directors

The charity trustees were not paid or received any other benefits from employment with the Trust or its subsidiary in the year (2022: £nil). There were no reimbursed expenses paid (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2023	2022
Management	2	2
Finance and admin	11	13
Gardens	11	9
Shop and ticket office	11	11
Catering	30	30
	<u>65</u>	<u>65</u>

Employment costs	2023 £	2022 £
Wages and salaries	1,177,945	1,190,186
Social security costs	97,285	96,482
Other pension costs	29,149	31,228
	<u>1,304,379</u>	<u>1,317,896</u>

During the year, there were no costs paid in respect of employee redundancies (2022: £nil).

The number of employees whose annual emoluments were £60,000 or more were:

	2023 number	2022 number
£60,000 - £70,000	1	1
£90,000 - £100,000	1	1

The key management personnel of the group comprise those of the Trust and the key management personnel of its wholly owned subsidiary Hestercombe Gardens Limited. The key management personnel of the group comprise the directors and the Chief Executive Officer. The total employee benefits, including employer NI and employer pension contribution, of the key management personnel of the Trust were £162,081 (2022: £170,932).

10 Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £19,458 (2022 - £14,071).

Contributions totalling £1,286 (2022 - £2,581) were payable to the scheme at the end of the year and are included in other creditors.

11 Tangible fixed assets

Group	Plant & Equipment £	Total £
Cost		
At 1 January 2022	1,319,254	1,319,254
Additions	70,811	70,811
Disposals	-	-
Transfers	-	-
At 31 December 2023	1,390,065	1,390,065
Depreciation		
At 1 January 2022	749,337	749,337
Charge for the year	113,342	113,342
Disposals	-	-
Transfer	-	-
At 31 December 2023	862,679	862,679
Net book value		
At 31 December 2023	527,387	527,387
At 1 January 2022	569,917	569,917

The above assets are all held by the charity.

12 Heritage assets

	Artwork	Freehold Land and Buildings	Total
	£	£	£
Cost			
At 1 January 2023	94,130	10,697,496	10,791,626
Additions	546	-	546
At 31 December 2023	94,676	10,697,496	10,792,172
Summary of heritage asset transactions	2023	2022	2021
Purchases and transfers			
Artwork	546	18,200	9,387
Freehold land and buildings	-	-	105,516
Total additions	546	18,200	114,903
Transfers out			
Artwork	-	-	-
Freehold land and buildings	-	-	-

Land and buildings relate to the Hestercombe estate which consists of the formal gardens and properties as well as a farm. The properties and gardens are managed and maintained by the estate manager with a team of gardeners and maintenance staff and volunteers. Under the guidance of the management team, they perform work that ensures the gardens are true to the original vision.

Artwork consists of paintings that are linked to the estate and are held for public display. The paintings are assessed when purchased and any required restoration work performed at that time.

13 Investment property

	Investment property
As at 1 January 2023	1,050,000
Revaluation	185,000
At 31 December 2023	1,235,000

The Trustees consider the value in the accounts represents the open market value of the properties at the year end. The investment properties were purchased and are held for their historical importance as they are considered an integral part of the estate.

14 Investments

	Charity	
	Total 2023	Total 2022
	£	£
Hestercombe Gardens Limited		
Ordinary shares of £1 each	1	1

Hestercombe Gardens Limited (company no 04732755) was incorporated on 13 April 2003 as a wholly owned trading subsidiary of Hestercombe Gardens Trust. The parent charity holds 100% of the issued share capital and 100% of the voting rights of the subsidiary trading company.

The principal activities of the company are the operation of a retail outlet and a café at Hestercombe Gardens and the hosting of events, private functions and conferences.

The registered office is the same as that of the Trust, detailed on page 1.

The subsidiary donates any taxable profits to Hestercombe Gardens Trust, and files audited accounts with the Registrar of Companies.

Hestercombe Gardens Trust
Notes to the Financial Statements
For the Year Ended 31 December 2023

A summary of the trading results is shown below:

	2023	2022
	£	£
Turnover	1,263,394	1,298,354
Cost of sales	(1,008,431)	(1,054,355)
Gross profit	254,963	243,999
Administrative expenses	(238,248)	(235,415)
Other operating income	-	-
Operating profit and profit before tax	16,715	8,584
Retained in subsidiary	16,715	8,584
The assets and liabilities were:		
Current assets	288,576	227,282
Current liabilities	(289,390)	(244,811)
Total net assets	(814)	(17,529)
Called up share capital	1	1
Profit and loss account	(815)	(17,530)
	(814)	(17,529)

15 Stocks

	Group	2023	Group	2022
	£	Charity	£	Charity
		£		£
Goods for resale	30,974	-	30,702	-

16 Debtors

		2023		2022
	Group	Charity	Group	Charity
	£	£	£	£
Trade debtors	3,475	3,095	6,822	1,650
Amounts owed from group undertakings	-	-	-	-
Prepayments and accrued income	74,853	68,022	114,347	108,108
VAT	-	-	-	13,583
	78,328	71,117	121,169	123,341

17 Creditors: Amounts falling due within one year

	2023		2022	
	Group	Charity	Group	Charity
	£	£	£	£
Trade creditors	167,924	81,551	142,338	77,492
Other creditors and deferred income	117,373	42,977	113,394	43,855
Accruals	118,815	79,209	93,066	62,520
Bank loans	28,123	28,123	24,136	24,136
Bank overdrafts	249,382	249,382	-	-
Taxation and social security	105,177	16,162	79,507	13,213
Amounts owed to group undertakings	-	198,143	-	165,440
Other loans	25,311	25,311	10,099	10,099
Hire Purchase	2,063	2,063	1,601	1,601
	<u>814,168</u>	<u>722,921</u>	<u>464,141</u>	<u>398,356</u>

Deferred Income

	2023		2022	
	Group	Charity	Group	Charity
	£	£	£	£
Deferred income at 1 January 2023	104,011	34,786	199,145	45,902
Released from previous years	(90,668)	(34,786)	(175,802)	(35,902)
Resources deferred in the year	<u>92,035</u>	<u>22,010</u>	<u>80,668</u>	<u>24,786</u>
Deferred Income at 31 December 2023	<u>105,378</u>	<u>22,010</u>	<u>104,011</u>	<u>34,786</u>

At the balance sheet date the trust was holding funds received in advance from venue hire and rental and memberships received in advance.

18 Creditors: Amounts falling due in more than one year

	2023		2022	
	Group	Charity	Group	Charity
	£	£	£	£
Bank loans	116,175	116,175	119,658	119,658
Other loans	81,871	81,871	43,288	43,288
Accruals			94,442	94,442
Hire purchase	8,971	8,971	-	-
Bank loans > 5 years	797,403	797,403	814,593	814,593
Other loans > 5 years	46,442	46,442	18,746	18,746
	1,050,862	1,050,862	1,090,727	1,090,727

There are three bank loans due in more than 5 years. One is repayable over a 25 year term ending in July 2043, another loan is repayable over a 20 year term ending in September 2039, and the final loan is repayable over a 22 year term ending in September 2044. Interest on these loans are variable at the Bank of England base rate + 3.0%.

The Trust has created a fixed legal charge over the freehold properties of Hestercombe Gardens Trust and a debenture has been created in favour of the bank to secure bank borrowings of £941,693 at the year end (2022 - £958,387).

The other loan due in more than 5 years is a loan, taken out in 2018, to repaid over 10 years with a fixed rate of interest of 2.75%.

Included in other loans is an unsecured an interest free loan to be repaid over 8 years.

19 Summary of movement in funds

2023

	Opening balance £	Incoming resources £	Resources expended £	Transfers & revaluations £	Closing balance £
Unrestricted funds - Group					
General	11,091,545	2,121,293	(2,585,192)	225,921	10,853,567
	11,091,545	2,121,293	(2,585,192)	225,921	10,853,567

	Opening balance £	Incoming resources £	Resources expended £	Transfers £	Closing balance £
Restricted funds - Group					
Commemorative Trees	-	16,145	(9,633)	(6,512)	-
Bird Box	-	100	(100)	-	-
Buy a Brick	-	700	(700)	-	-
The Pilgrim Trust	-	2,300	(2,300)	-	-
The Clark Foundation	-	1,000	(1,000)	-	-
The Leche Trust	-	2,600	(2,600)	-	-
Leahy - West Path stone seat donation	-	10,909	-	(10,909)	-
Fundraising Strategy	2,600	-	-	-	2,600
Michael Farrington propagating house	2,425	-	-	-	2,425
Stanley Smith Horticultural Tru	-	3,000	-	(3,000)	-
Harriet Hopkins - bench donati Gallery	-	3,500	-	(3,500)	-
Somerset Community Founda	-	43,544	(43,544)	-	-
Futures Taunton	-	10,000	-	(10,000)	-
Futures Taunton	-	5,000	-	(5,000)	-
The Headley Trust	-	15,000	(3,117)	-	11,883
Futures Taunton	-	1,000	-	(1,000)	-
Baily Thomas Charitable Trust	-	1,000	-	(1,000)	-
Other grants	-	279	-	-	279
The Ripple Trust	-	20,000	(5,976)	-	14,024
	5,025	136,077	(68,970)	(40,921)	31,211

19 Summary of movement in funds (cont'd)

	Opening balance £	Incoming resources £	Resources expended £	Transfers & revaluations £	Closing balance £
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Unrestricted funds - Charity

General	11,109,075	875,649	(1,356,263)	225,921	10,854,382
	11,109,075	875,649	(1,356,263)	225,921	10,854,382

	Opening balance £	Incoming resources £	Resources expended £	Transfers £	Closing balance £
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Restricted funds - Charity

Commemorative Trees	-	16,145	(9,633)	(6,512)	-
Bird Box	-	100	(100)	-	-
Buy a Brick	-	700	(700)	-	-
The Pilgrim Trust	-	2,300	(2,300)	-	-
The Clark Foundation	-	1,000	(1,000)	-	-
The Leche Trust	-	2,600	(2,600)	-	-
Leahy - West Path stone seat donation	-	-	-	-	-
	-	10,909	-	(10,909)	-
Fundraising Strategy	2,600	-	-	-	2,600
Michael Farrington propagating house	2,425	-	-	-	2,425
Stanley Smith Horticultural Tru	-	3,000	-	(3,000)	-
Harriet Hopkins - bench donati Gallery	-	3,500	-	(3,500)	-
	-	43,544	(43,544)	-	-
Somerset Community Founda	-	10,000	-	(10,000)	-
Futures Taunton	-	5,000	-	(5,000)	-
The Headley Trust	-	15,000	(3,117)	-	11,883
Futures Taunton	-	1,000	-	(1,000)	-
Baily Thomas Charitable Trust	-	1,000	-	(1,000)	-
Other grants	-	279	-	-	279
The Ripple Trust	-	20,000	(5,976)	-	14,024
					-
	5,025	136,077	(68,970)	(40,921)	31,211

19 Summary of movement in funds (cont'd)

Prior year - 2022

	Opening balance £	Incoming resources £	Resources expended £	Transfers £	Closing balance £
Unrestricted funds - Group					
General	11,062,122	2,522,253	(2,580,441)	87,661	11,091,545
	11,062,122	2,522,253	(2,580,441)	87,661	11,091,545

	Opening balance £	Incoming resources £	Resources expended £	Transfers £	Closing balance £
Restricted funds - Group					
Gallery	-	42,830	(42,830)	-	-
Bird Box	-	460	(460)	-	-
Buy a Brick	-	876	(876)	-	-
Terrace Seat	-	1,000	-	(1,000)	-
Boshier-Hinton Foundation	-	1,410	-	(1,410)	-
Bench Donation	-	2,500	-	(2,500)	-
Water Garden Project	-	72,701	-	(72,701)	-
Fundraising Strategy	5,275	2,500	(5,175)	-	2,600
Michael Farrington propagating house	2,425	-	-	-	2,425
The Medlock Charitable Trust	20,000	-	(10,000)	(10,000)	-
Portrait Restoration	-	250	(250)	-	-
	27,700	124,527	(59,591)	(87,611)	5,025

19 Summary of movement in funds (cont'd)

Prior year – 2022

	Opening balance £	Incoming resources £	Resources expended £	Transfers £	Closing balance £
Unrestricted funds - Charity					
General	11,088,236	1,223,899	(1,290,671)	87,611	11,109,075
	11,088,236	1,223,899	(1,290,671)	87,611	11,109,075

	Opening balance £	Incoming resources £	Resources expended £	Transfers £	Closing balance £
Restricted funds - Charity					
Gallery	-	42,830	(42,830)	-	-
Bird Box	-	460	(460)	-	-
Buy a Brick	-	876	(876)	-	-
Terrace seat	-	1,000	-	(1,000)	-
Boshier-Hinton Foundation	-	1,410	-	(1,410)	-
Bench donation	-	2,500	-	(2,500)	-
Water Garden Project	-	72,701	-	(72,701)	-
Fundraising Strategy	5,275	2,500	(5,175)	-	2,600
Michael Farrington propagating house	2,425	-	-	-	2,425
The Medlock Charitable Trust	20,000	-	(10,000)	(10,000)	-
Portrait Restoration	-	250	(250)	-	-
	27,700	124,527	(59,591)	(87,611)	5,025

General unrestricted funds are available to spend on activities that further the purposes of the charity.

The gallery funding was provided by the Arts Council and Taunton Deane Borough Council to develop the Gallery within Hestercombe House.

The Buy a Brick and Commemorative Trees funds are remembrance funds that were fully spent in the year.

19 Summary of movement in funds (cont'd)

The Michael and Madeleine Farrington donations are towards the propagating house project which did not commence before the year end.

Donations received for Bird Boxes were fully spent during the year.

The Headley Trust donation relates to contribution to costs for a new curator.

The Ripple Trust donation was received from a former trustee and is to be split between the cost of legal work on the Development Strategy and the cost of the ecological survey work.

Donations received towards capital costs such as the Bench (Harriet Hopkins), the West Path Stone Seat (Leahy), Changing places WC project (Somerset Community Foundation and Futures Taunton), Access Audit (Bailey Thomas Charitable Trust and Futures Taunton) were fully spent during the year and transferred to unrestricted reserves.

20 Analysis of assets between funds – Group

	Fixed assets £	Cash at bank and in hand £	Other net current liabilities £	Creditors more than one year £	Total £
Unrestricted funds	12,554,559	54,736	(704,866)	(1,050,861)	10,853,568
Restricted funds	-	31,211	-	-	31,211
As At					
31 December 2023	12,554,559	85,947	(704,866)	(1,050,861)	10,884,779

Analysis of assets between funds – Charity

	Fixed assets £	Cash at bank and in hand £	Other net current liabilities £	Creditors more than one year £	Total £
Unrestricted funds	12,554,560	2,488	(651,804)	(1,050,861)	10,854,383
Restricted funds	-	31,211	-	-	31,211
As At					
31 December 2023	12,554,560	33,699	(651,804)	(1,050,861)	10,885,594

Prior year – 2022 – Group and Charity

	Fixed assets	Cash at bank and in hand	Other net current liabilities	Creditors more than one year	Total
	£	£	£	£	£
Unrestricted funds	12,237,820	466,574	(481,050)	(1,161,222)	11,062,122
Restricted funds	-	27,700	-	-	27,700
As At					
31 December 2022	12,237,820	494,274	(481,050)	(1,161,222)	11,089,822

The analysis for the Trust is identical to the Group in 2022 with the exception of the unrestricted funds, where investments represent £1, cash at bank £68,298 and other net current liabilities £275,015.

21 Income and expenditure account of the Trust

The company has taken advantage of Section 408 of the Companies Act and has not included its own Income and Expenditure Account or separate Statement of Financial Activities.

Prior to gift aid amounts received from the subsidiary, Hestercombe Gardens Trust has net outgoing resources for the year of £313,433 (2022: outgoing £1,836) based on income of £993,972 (2022: £1,348,426).

22 Related party transactions

The charity has taken advantage of the exemption in FRS 102 “Related Party Disclosures” from disclosing transactions with other members of the group.

During the year Hestercombe Gardens purchased an asset from the CEO Philip White for the value of £nil (2022: £18,200).

23 Contingent liabilities

Grants received from the National Heritage Memorial Fund amounting to £5,931,000 as at 31 December 2018 may become subject to partial repayment in the event grant aided assets are sold. The amounts potentially repayable are secured by a legal charge in favour of the National Heritage Memorial Fund.

HESTERCOMBE GARDENS TRUST LIMITED

England & Wales - Charity number 1060000

Accounts

Hestercombe Gardens Trust
(A Charitable Company Limited by Guarantee)

Annual Report and Financial Statements

For the Year Ended 31 December 2022

Company Number: 03287766
Charity Registered in England and Wales Number: 1060000

Hestercombe Gardens Trust

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Hestercombe Gardens Trust

Reference and Administrative Details

For the Year Ended 31 December 2022

Trustee Directors

John Abbott MSc
Dr Marion Harney, FHEA
Roger Lambert MA
Catherine O'Sullivan, MSc
Catherine Pease, MA (Cantab), AADip, RIBA
Linda Phillips
Rupert Taylor, BSc Hons, FCCA
Josephine Waley-Cohen

Secretary

Nicholas Francombe LLB

Chief Executive Officer

Philip White MBE

Charity Number

1060000

Company Number

03287766

Principal Address and Registered Office

Hestercombe Gardens
Cheddon Fitzpaine
Taunton
Somerset
TA2 8LQ

Auditors

Albert Goodman LLP
Goodwood House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

Bankers

Triodos Bank NV
Deanery Road
Bristol
BS1 5AS

HSBC Bank Plc
17 North Street
Taunton
Somerset
TA1 1NA

CAF Bank
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Solicitors

Clarke Willmott LLP
Blackbrook Gate
Taunton
Somerset
TA1 2PG

Hestercombe Gardens Trust
Trustee Directors' Report
For the Year Ended 31 December 2022

The Trustees, who are also directors for the purposes of the Companies Act, present their report and the financial statements of the charity for the year ended 31 December 2022, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

References and Administrative Details

Administrative information is given in a separate section at the front of these accounts.

Directors and Trustees

The directors of the Company are the Charity's trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees serving during the year and since the year end are as follows:

David Yiend (Chairman)	(Resigned 14 April 2022)
Linda Phillips (Chair Designate)	(Appointed 2 December 2022)
John Abbot MSc	(Appointed 2 December 2022)
Godfrey Davis, FCA	(Resigned 21 April 2023)
Roger Lambert MA	(Appointed 2 December 2022)
Dr Marion Harney FHEA	
Cllr Marcia Hill	(Resigned 27 January 2023)
Jo Matthews, MSc	(Resigned 21 April 2023)
Catherine O'Sullivan, MSc	
Catherine Pease, MA (Cantab), AADip, RIBA	
Anthony Sykes	(Resigned 18 April 2022)
Rupert Taylor, BSc Hons, FCCA	
Josephine Waley-Cohen	

None of the Trustees have any beneficial interest in the Company. All of the Trustees are members of the Company and guarantee to contribute £10 in the event of a winding up.

Structure Governance and Management

The articles of association currently provide that there must be between seven and ten trustees. The appointment of replacement trustees is at the discretion of the Company in general meeting.

It is the policy of the Trust to seek to appoint as trustees leaders in their field with a keen interest in the objectives of the Trust and to obtain a balance of skills. All appointments are made in line with Charity Commission guidelines. All newly appointed trustees follow an induction process and there is a programme of ongoing trustee training.

The Trustees have responsibility for setting the policy for achieving the objectives of the Trust; this is then carried out by the Chief Executive and the executive management team. The commercial activities, including the running of events, functions and weddings, catering and retail activities are carried out through a wholly owned subsidiary, Hestercombe Gardens Limited.

Structure Governance and Management (cont'd)

The day-to-day management of trading operations is overseen by Managing Director Richard Mira who is Managing Director of Hestercombe Gardens Limited. The profits arising from these activities are returned to the Trust in furtherance of its objectives.

In April 2022 the Chairman, David Yiend, (appointed December 2020), tendered his resignation. Following his departure trustees appointed charity headhunters Charisma to search for a replacement and in December 2022 trustees appointed Linda Phillips as trustee and chair designate. David had been chair since December 2020. Roger Lambert MA and John Abbott MSc were appointed as trustees in December 2022.

In late July 2022 we were pleased to appoint Matt Philpott as Head of Marketing and Communications and, in October, Jemma Gillard, an experienced Senior Marketing Officer both of whom continue to make a positive contribution.

The Risk Register is regularly reviewed and updated by both Trustees and the executive management team in line with the strategic plans and ambitions of the Trust.

The Trustees are very conscious of their duty to promote public access to Hestercombe, to manage the heritage assets in a socially inclusive way and to continue to grow Hestercombe into a site of national and international importance and an economic and cultural driver of regional prosperity. Their policy is to remunerate all their staff fairly in accordance with good practice, observing appropriate legislation eg regarding the minimum wage, diversity etc at the same time ensuring the health, safety, and personal advancement of all staff, while operating in a financially prudent and sustainable way.

All Trustees of Hestercombe Gardens Trust serve as volunteers and are unpaid; some claim travel expenses when attending meetings. A Governance and Organisational Structure Committee, composed of at least two Trustees, meets five times a year and considers senior executive pay and reports to Trustees at each full meeting of Trustees. Remuneration for the Chief Executive is set by the Committee with advice from the Trust's financial advisor and is benchmarked against comparable roles as far as this is possible.

The remuneration of the six full-time (General Manager, Finance Manager, Estates Manager, Head Gardener and Marketing & Communications Manager) and one part-time (Creative Director) senior executive staff is set by the Chief Executive in accordance with their individual contracts and reported to the Governance and Organisational Structure Committee.

Objectives and Activities

The Charity's objects (the "Objects") are for the education and benefit of the public to:

- (1) reclaim, restore, preserve, enhance and develop the landscape, gardens and buildings of heritage, horticultural or architectural interest associated with Hestercombe; and
- (2) maintain develop enhance and preserve and provide public access to archives databases and collections relating to landscapes, gardens, and buildings of heritage, horticultural or architectural interest; and
- (3) undertake and support educational work and research and provide resources for the public relating to landscapes, gardens, and buildings of heritage, horticultural or architectural interest.

Attracting visitors and members to Hestercombe, giving them a positive and engaging experience and opportunities to explore, learn and relax, is central to our Visitor Experience and to our Engagement strategic objective in addition to financial sustainability.

Hestercombe Gardens Trust

Trustee Directors' Report

For the Year Ended 31 December 2022

Objectives and Activities (cont'd)

Achieving visitor numbers and membership targets is heavily dependent on the delivery of an effective Marketing & Communications plan which unfortunately operated below strength before the appointment of Matt Philpott, which will have been a contributing factor in missing our target for 2022 (71,000 garden visitors vs target of 85,000; and 4,300 memberships vs target of 5,000).

The first three months trading at Hestercombe in 2022 were on budget and visitor numbers were heading towards those achieved in 2019. The war in Ukraine in February started a chain reaction which led to what was widely described as a 'cost of living' crisis. By the end of April visitor numbers had dropped by 20% and continued at that level for the rest of the year, dipping even further during July and August. This fall was compounded by reduced visitor spend as visitors continued to economise. Hestercombe had 50 weddings booked for 2022, many having carried over initially from 2020 and then 2021. This meant that staffing levels, which would otherwise have been reduced, had to be maintained in order to service the many weddings with the unintended consequence of adding further financial pressure on the trading company.

The planned restoration and development of Hestercombe House, and the restoration of the formal garden avenue and ha ha have not progressed as there have been considerable delays in the planning process. Unfortunately, our wish to move forward the agreement in July 2020 with the Crown Estate to acquire 28 acres at Gotton, the only remaining part of the grade1 historic landscape not under the beneficial management of the trust, has not, so far materialised, primarily as a result of The Crown imposing a twelve-month moratorium on land sales.

Achievements and Performance

2022 saw a number of projects completed around the estate including resurfacing of the main driveway, upgrade to the security alarm systems and a new fire alarm system in the visitor centre. Further projects completed during the year include roof repairs to the Apple Loft and Mill; Quist Fountains successfully installed the copper tree fountain in the Stables Courtyard area and Joe Blathwayt crafted the stunning Terrace Seat.

The two-year restoration of the C17th Water garden was completed at the end of September 2022. Funded by Countryside Stewardship and, although previously accrued for in 2021, £279,186 was received from the Rural Payments Agency in respect of the first phase of the Water garden restoration. Subsequently, a Leader Programme grant of £47,353 was awarded towards the estimated cost of £80k for the two Water garden buildings and estate fencing. Whilst contending with delays and increased costs linked to a shortage in building materials, the island pavilion and estate fencing were completed on time. A further £17,564 was received in grants and donations.

The Case B arbitration initiated by the tenants of Hestercombe Farm in 2013, was paused following a suggestion by the tenants that an agreement be sought based on the Heads of Terms agreement first proposed by the Crown Estates in 2015. This was finally agreed in November 2022 releasing three important areas of land to the trust, including restoration of the original boundary and avenue to the west of the Formal garden and a five metre wide verge on the north side of the main drive to provide safe access for pedestrians. HGT also gained vacant possession of the C19th Portman drive which crosses the park from Sandilands Wood to the visitor centre.

After having a new lighting system installed and being redecorated, Hestercombe House's Portman room was opened in July 2022 as Hestercombe's new gallery shop. Designed and created to reflect the contemporary art gallery, and stocked with work by local craftspeople, it is mostly staffed by volunteers. The plant sales area was moved to the far end of the marquee lawn and a new cabin installed to house the gift shop, which was previously in the Column room of the house. A new ice cream kiosk was also added next to Caffè & Gelato and at the end of October the plant sales area and shop were moved back into the Visitor centre in anticipation of the Christmas Fair.

Activities and Performance (cont'd)

Following the success in 2021 of the Illuminate light show in Rook wood a new and much larger installation was created in late November 2022 at a cost of £75k which was extended into the Landscape garden. A focused advertising campaign and a better targeted catering offer resulted in 13,635 tickets being sold generating £43,396 profit. The total number of visitors to Hestercombe during the year was 95,467.

Somerset Scientific Services concluded their survey work and produced an Asbestos Management Report for Hestercombe earlier this year. The findings highlighted three items on the register that required attention. The remedial work took place in May which means we are now in compliance with the HSE's Control of Asbestos Regulations.

The 5-G Wi-Fi back-up system to improve our broadband provision is complete as is a discrete Wi-Fi installation on the Orangery lawn which has significantly improved facilities for wedding and events guests as well as for staff. We have also successfully installed the water supply pipe at Volis concluding the dispute with the tenant in that area while at the same time making a long term investment in the future management of that part of the estate.

SSG Training and Consultancy, our independent health and safety advisors, completed a systems audit during May and have put forward a work plan for Hestercombe to action. We have been commended for the considerable amount of effort that has been put into improving health and safety management over the past year including the implementation of the 'iAM Compliant' system.

Public Benefit and Engagement

As part of working towards becoming an accredited museum we completed the move of our collections to the ground floor of Hestercombe House and explored potential collection management systems, narrowing the choice to two.

An exhibition on the history of Hestercombe House, with a particular emphasis on Lord Portman's renovations 1874-77, was installed in the medieval arch space off The Gallery Shop, using original plans and photographs from the 1870s. An illustrated blog on the same subject was posted online to generate additional interest and footfall.

The archivist conducted five tours of the Hestercombe landscape and work on the journal paper on the decline of the Hestercombe estate under John Tyndale Warre (d. 1819) resumed; a number of new artwork acquisitions were catalogued and stored.

A series of 6 light boxes were installed in the restaurant featuring a new archival exhibition based around the Portman family and those that worked on the estate. The aim is for these boxes to feature a variety of works, not just from the collections but also contemporary and seasonal images.

Our winter show, which ran until February 2022 'Changing Atmospheres', featured new and recent works by ten artists and included Trish Morrissey's new Bampfylde commission 'Madge', which later also featured as part of her solo exhibition 'Autofictions: Twenty years of photography and film' at the Serlachius Museum in Finland. In March 'Changing Atmosphere's' was followed by 'Things that Pass a Thousand Times: Unearthing Hestercombe's Collections', a two-month exhibition featuring works from Hestercombe's collections, especially some of our new and recent acquisitions.

The summer show 'A Rose is a Rose is a Rose' opened to the public on 28th May after a very busy preview attended by 140 people.

Hestercombe Gardens Trust

Trustee Directors' Report

For the Year Ended 31 December 2022

Public Benefit and Engagement (cont'd)

In 2022 we delivered a series of school sessions, both directly with various institutions as well as through projects such as the Quantock Learning Partnership Scheme and with the Somerset Wildlife Trust. We engaged artist Jo Lathwood to work with Taunton adolescents during the summer, in collaboration with the Taunton One Team on a 'Bug Hotels/basic skills project.

In November we successfully launched our winter show 'Expanding Landscapes: Painting after Landscape'. This exhibition brought together historical works by artists associated with Land Art with the work of contemporary artists who engage directly with landscape through the language of painting. An afternoon symposium launched the show before the private view when we were able to record the various talks which were broadcasted live on Instagram, a first for the gallery.

Two artists were in residence during the Autumn, Hugo Lami, from Portugal, who is making augmented sculptures in the gardens and Marie-Louise Jones, who received ACE funding to research her work for Hestercombe in 2024.

The Somerset postcard project staffed by ten volunteers from The Arts Society continue the work of cataloguing the 5,000 postcard collection.

The Parks & Gardens UK Database is an online, free-to-access database that provides information on over 11,000 UK parks, gardens and designed landscapes and all activities concerned with their promotion, conservation and management. Maintaining and developing Parks & Gardens Database supports HGT's strategic aim of becoming a national resource for garden archives as well our strategic objective around learning and research.

The Parks & Gardens (P&Gs) database made significant progress during 2022 including the installation of Manticore, a new more robust search facility, and the addition of Image X and Blitz cache has moved the archive forward in terms of search stability and image loading and page response time.

The Conservation Management Plan collection continues to grow, helped by a Freedom of Information request to the National Lottery Heritage Fund which identified 1,300 CMP and related reports. The creation of a new searchable CMP database within P&G has provided access to 1,126 CMPs, which can be consulted in hard copy by academics, researchers and the public at Hestercombe with many now also being available in a digital format.

Social media engagement with P&Gs continues to develop with Facebook and Twitter followers both increasing over the year and email subscribers increasing by 30% to more than 400 over the same period. The recruitment of 6 new volunteers in 2022 has increased activity on the archive thanks to their careful maintenance, research and updating of the archive records.

In 2022 the site received nearly 1.2 million page views and 856,871 unique users giving a year on year growth of users of PGUK (2021 to 2022) of 13.05%.

Financial review

The Trust reported a net income for the year of £6.75k (2021 £668k). Total income fell from £2.99m in 2021 to £2.647m in 2022 reflecting the loss of grant support by government following the end of the Covid pandemic.

Income from trading activities continued its recovery showing further growth in 2022. In 2020 trading income amounted to only £0.54m. It grew to £1.17m in 2021 and in the current year to £1.521m. Strong growth was seen particularly within functions and events where income amounted to £669k (2021 £377k). Hestercombe Gardens Limited paid rent to the Trust of £46.3k and in difficult trading conditions made a surplus of £8.6k (2021 £37.8k)

The Trust is greatly indebted to the givers of grants and donations which amounted to £490k in 2022; details of major donors can be found in the notes to the accounts.

As a result of the grants, donations trading activities and other Trust income the Trust was able to expend £1.484m on charitable activities during the year (2021: £1.424m). The small surplus achieved increased the Trust's total assets to £11.097m (2021: £11.089m).

Reserves policy

The current reserves policy reflects the long term nature of the charity and the investment that has needed to be made to protect it. Long term aspirations and potential income generation has been put before the building up of unrestricted reserves in the short term. The result of this is that there is a deficit in freely available reserves (unrestricted reserves less fixed assets net of long term debt) of £229k (2021: £15k) at the year end.

Auditors

The auditors, Albert Goodman LLP, are deemed to be re-appointed under Section 487(2) of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Statement of trustees' responsibilities

The Trustees (who are directors of the Hestercombe Gardens Trust Limited for the purposes of company law) are responsible for preparing the Trustee Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standard have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that 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. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure to our auditors

In so far as the Trustees are aware at the time of approving our Trustees' annual report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report of which the group's auditor is unaware; and
- The trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all the steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of the information.

By order of the Trustees.

John Abbott MSc
Trustee
Hestercombe Gardens Trust
14 July 2023

Hestercombe Gardens Trust

Independent Auditors' Report to the Trustees and Members

For the Year Ended 31 December 2022

Opinion

We have audited the financial statements of Hestercombe Gardens Trust (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2022, which comprise the consolidated Statement of Financial Activities, the consolidated and parent charitable company Balance Sheets, the consolidated and parent charitable company Statement of Cash Flows, 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 Generally Accepted Accounting Practice, including Financial Reporting Standard 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 December 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;

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 trustee's 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 society's ability to continue as a going concern for a period of at least twelve months from the original financial statements were authorised for use.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

Hestercombe Gardens Trust

Independent Auditors' Report to the Trustees and Members

For the Year Ended 31 December 2022

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.

Opinion 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 have 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' Report.

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

- adequate 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 company 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 prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities (set out on page 8), the trustees (who are also the directors of the parent charitable company for the purposes of company law) are 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 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 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 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

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:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- 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;
- we identified the laws and regulations applicable to the company through discussions with trustees and other management, and from our commercial knowledge and experience of the 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 group, including the Companies Act 2006, Charities Act 2011, employment, environmental, food hygiene legislation and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Hestercombe Gardens Trust

Independent Auditors' Report to the Trustees and Members

For the Year Ended 31 December 2022

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Use of our report

This report is made solely to the group and parent 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 group and parent 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 group and parent charitable company and the group and parent charitable company's members as a body and the parent charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Robert Oram BFP FCA (Senior Statutory Auditor)
for and on behalf of Albert Goodman LLP, Statutory Auditor

Goodwood House
Blackbrook Park Avenue
Taunton
TA1 2PX

24 July 2023

Hestercombe Gardens Trust

Consolidated Statement of Financial Activities (including an Income & Expenditure account)

For the Year Ended 31 December 2022

				2022			2021
		Unres-	Res-	Total	Unres-	Res-	Total
	Notes	tricted	tricted		tricted	tricted	
		£	£	£	£	£	£
Income from:							
Grants, donations and legacies	2	365,012	124,527	489,539	679,661	436,362	1,116,023
Charitable activities	3	636,435	-	636,435	707,465	-	707,465
Other trading activities	4	1,520,734	-	1,520,734	1,164,773	-	1,164,773
Investments	5	72	-	72	-	-	-
Total income		2,522,253	124,527	2,646,780	2,551,899	436,362	2,988,261
Expenditure on:							
Trading costs	6	1,155,984	-	1,155,984	946,550	-	946,550
Charitable activities	6	1,424,457	59,591	1,484,048	1,089,009	334,884	1,423,893
Total expenditure		2,580,441	59,591	2,640,032	2,035,559	334,884	2,370,443
Net income/(expenditure) for the year		(58,188)	64,936	6,748	516,340	101,478	617,818
Gain on revaluation of investment property	13	-	-	-	50,260	-	50,260
Transfer between funds	19	87,611	(87,611)	-	94,882	(94,882)	-
Net movement in funds for the year		29,423	(22,675)	6,748	661,482	6,596	668,078
Reconciliation of funds							
Total funds brought forward		11,062,122	27,700	11,089,822	10,400,640	21,104	10,421,744
Total funds carried forward		11,091,545	5,025	11,096,570	11,062,122	27,700	11,089,822

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

All income and expenditure derive from continuing activities.

Hestercombe Gardens Trust – Company Registration Number: 03287766**Balance Sheet and Consolidated Balance Sheet**

As at 31 December 2022

		2022		2021	
		£	£	£	£
	Notes	Group	Charity	Group	Charity
Fixed assets					
Tangible fixed assets	11	569,917	569,917	414,394	414,394
Heritage assets	12	10,791,626	10,791,626	10,773,426	10,773,426
Investment property	13	1,050,000	1,050,000	1,050,000	1,050,000
Investments	14	-	1	-	1
		<u>12,411,543</u>	<u>12,411,544</u>	<u>12,237,820</u>	<u>12,237,821</u>
Current assets					
Stock	15	30,702	-	34,078	-
Debtors	16	121,169	123,341	295,348	385,734
Cash at bank and in hand		88,027	68,298	494,274	185,499
		<u>239,898</u>	<u>191,639</u>	<u>823,700</u>	<u>571,233</u>
Liabilities:					
Creditors: amounts falling due within one year	17	(464,144)	(398,356)	(810,476)	(531,896)
		<u>(224,246)</u>	<u>(206,717)</u>	<u>13,224</u>	<u>39,337</u>
Net current liabilities					
Amounts falling due after more than one year	18	(1,090,727)	(1,090,727)	(1,161,222)	(1,161,222)
		<u>11,096,570</u>	<u>11,114,100</u>	<u>11,089,822</u>	<u>11,115,936</u>
Total net assets					
The funds of the charity:					
Unrestricted funds:					
General funds	19	11,091,545	11,109,075	11,062,122	11,088,236
Restricted funds	19	5,025	5,025	27,700	27,700
		<u>11,096,570</u>	<u>11,114,100</u>	<u>11,089,822</u>	<u>11,115,936</u>
Total charity funds					

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared and delivered in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes on pages 17 – 37 form part of these accounts.

Approved by the Board on 14 July 2023 and signed on their behalf by:

John Abbott MSc
Trustee

Hestercombe Gardens Trust**Statement of Cash Flows and Consolidated Statement of Cash Flows**

For the Year Ended 31 December 2022

	Notes	2022		2021	
		£	£	£	£
		Group	Charity	Group	Charity
Cash flows from operating activities					
Net income/(expenditure) for the year		6,748	(1,836)	668,078	630,270
Adjustments to cash flows from non-cash items:					
Depreciation and amortisation	11	118,414	118,414	102,462	102,462
Finance Income	5	(72)	(72)	-	-
Finance expense		36,738	36,738	41,507	41,507
Loan forgiven		(325,276)	(325,276)	-	-
Revaluation of investment property		-	-	(50,260)	(50,260)
		(163,448)	(172,032)	761,787	723,979
Working capital adjustments					
Decrease/(increase) in stocks	13	3,376	-	6,951	-
(Increase)/decrease in debtors	14	174,179	262,393	(116,831)	(194,084)
Increase in creditors	15	(242,213)	(29,421)	349,768	197,815
Net cash flow from operations		(228,106)	60,940	1,001,675	727,710
Cash flows from investing activities					
Purchase of tangible fixed assets	11	(273,937)	(273,937)	(174,010)	(174,010)
Purchase of heritage assets	12	(18,200)	(18,200)	(114,903)	(114,903)
Purchase of investment property	13	-	-	(34,472)	(34,472)
Interest received	5	72	72	-	-
		(292,065)	(292,065)	(323,385)	(323,385)
Cash flows from financing activities					
Interest paid	7	(36,738)	(36,738)	(41,507)	(41,507)
Receipt from drawdown of loan	18	200,000	200,000	-	-
Repayment of loans and hire purchase	18	(49,338)	(49,338)	(22,816)	(22,816)
		113,924	113,924	(64,323)	(64,323)
Net decrease in cash and cash equivalents		(406,247)	(117,201)	613,967	340,002
Cash and cash equivalents at the beginning of the reporting period		494,274	185,499	(119,693)	(154,503)
Cash and cash equivalents at the end of the reporting period		88,027	68,298	494,274	185,499
Cash & Cash equivalents reconciliation:					
Cash at bank		88,027	68,298	494,274	185,499
Total cash & cash equivalents at the end of the reporting period		88,027	68,298	494,274	185,499
Analysis of cash and cash Equivalents					
Cash in hand		88,027	68,298	494,274	185,499
Overdraft facility repayable on demand		-	-	-	-
Total cash & cash equivalents at the end of the reporting period		88,027	68,298	494,274	185,499

1 Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are as follows:

1.1 Basis of accounting

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) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Hestercombe Gardens Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s) and all amounts are presented in £ sterling.

These financial statements consolidate the results of the Charity and its wholly owned subsidiary, Hestercombe Gardens Limited, on a line by line basis. The "Group" heading within the balance sheet refers to the consolidated accounts of the Hestercombe Gardens Trust Limited and Hestercombe Gardens Limited.

In the parent company financial statements the investment in the trading subsidiary is accounted for at cost less impairment.

A separate Statement of Financial Activities or income and expenditure account, for the Charity itself has not been presented because the Charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006.

Going Concern

The Trustees have considered the forecasts and whether the availability of working capital will enable the Charity to meet its liabilities for the next 12 months. The Trustees have concluded that the Trust continues to be a going concern and hence the going concern basis of accounting adopted in these accounts is appropriate.

1.2 Legal status of the Trust

The Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

The company is incorporated in England and Wales and the company registered office is detailed on page 1, reference and administration details.

1.3 Income

Income from grants and donations is recognised in the year in which they are receivable when there is evidence of entitlement, receipt is probable and the amount can be reliably measured. Where income has not been received for gift aid claims relating to donations received in the year, income is accrued.

Income from grants and government grants, where 'capital' or 'revenue', is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Where no conditions are attached to grant income they are recognised within grants, donations and legacies and where conditions relating to performance of services are attached, grant income is recognised income from charitable activities within the Statement of Financial Activities.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income from charitable activities includes membership and admissions income. Membership income is accounted for in full in the year that the membership commences. Admission income is recognised on a cash basis, in the year the income is physically received.

Income from other trading activities is included in the period in which the group is entitled to receipt, it is probable that economic benefits will flow to the entity and the amount can be reliably measured.

1.4 Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1.5 Expenditure

Resources expended are recognised on the accruals basis to match the period in which the expenditure was incurred.

Raising funds is expenditure incurred in generating the trading subsidiary funds and from trading activities carried out by the trust relating to Hestercombe House activities.

Charitable activity expenditure comprises costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and costs of an indirect nature necessary to support them. Support costs include finance, administration, governance and CEO costs and are allocated to the trust charitable services equally.

1.6 Operating leases

The Trust classifies the lease of property as operating leases as title remains with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

1.7 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Trust.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Trust's work or for specific artistic projects being undertaken by the Trust.

1.8 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Tangible fixed assets are normally capitalised where the value of an asset or group of related assets exceeds £500. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life as follows:

Plant and equipment	3, 5, 10, 20 or 25 years straight line
---------------------	--

1.9 Heritage assets

Heritage assets are held in pursuit of overall objectives in relation to the enjoyment and preservation of heritage. Land, buildings and artwork are recognised at cost or, where donated, at the prevailing current market value at the time of donation. In the opinion of the Trustees the heritage assets have a residual value in excess of cost and therefore no depreciation is charged in the accounts, however they are reviewed annually for impairment with any such impairment passing through the SOFA. Expenditure that is required to preserve or prevent further deterioration of heritage assets is recognised in the SOFA as it is incurred.

1.10 Investment properties

Investment properties are initially measured at cost and subsequently at fair value at the reporting date, with all gains and losses passing through the SOFA.

1.11 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.12 Stock

Stock consists of shop stock for resale, ingredients for the tea room and publication stocks. Stock is valued at the lower of cost and net realisable value, after making allowances for obsolete and slow moving stock.

1.13 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.14 Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

1.15 Defined contribution pension

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as staff pension expense through the profit and loss when they are due.

1.16 Taxation

As a registered charity, the company is not liable to corporation tax or capital gains tax to the extent that its income and gains are applicable to charitable purposes only. Value Added Tax is recoverable by the company, and is therefore excluded within the relevant costs in the Statement of Financial Activities. The charity subsidiary is also able to recover Value Added Tax and is therefore excluded within the relevant costs in the Statement of Financial Activities

1.17 Financial instruments

The charity only holds basic financial instruments as defined by FRS 102. The financial assets and financial liabilities of the charitable company are as follows;

Financial assets – trade and other debtors, accrued income, amounts owed by group undertakings and other debtors are basic financial instruments, and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank – classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, amounts owed to group undertakings, bank loans, accrued expenses and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

1.18 Concessionary loan

The Trust obtained a concessionary loan in a previous year to further its charitable aims free of interest. The loan was initially recognised at transactions value and subsequently measured to reflect the repayments and if necessary, any impairments. The loan has been formally forgiven in the current year and has therefore been recognised in the statement of financial activities within donations and legacies.

1.19 Finance lease

The Trust classifies the lease of equipment as a finance lease as substantially all the risks and rewards are retained by the Trust. The equipment is recognised as an asset and the finance loan recognised as a liability in the balance sheet. Payments made under finance leases are charged to the liability in the balance sheet.

2 Grants, donations and legacies

	Unres- tricted funds £	Res- tricted funds £	2022 Total £	Unres- tricted funds £	Res- tricted funds £	2021 Total £
Grants						
National Lottery	169	-	169	520,300	261,200	781,500
Heritage Fund						
Arts Council	-	29,430	29,430	-	28,875	28,875
Countryside Stewardship	-	72,701	72,701	-	94,882	94,882
Other grants	4,361	14,785	19,146	5,872	37,725	43,597
Exceptional government funding						
Coronavirus JRS grant	-	-	-	93,052	-	93,052
Other Covid grants	-	-	-	37,274	-	37,274
	4,530	116,916	121,446	656,498	422,682	1,079,180
Donations and legacies	360,482	7,611	368,093	23,163	13,680	36,843
	365,012	124,527	489,539	679,661	436,362	1,116,023

3 Charitable activities

	Unres- tricted funds £	Res- tricted funds £	2022 Total £	Unres- tricted funds £	Res- tricted funds £	2021 Total £
Members of Hestercombe subscriptions	307,767	-	307,767	338,112	-	338,112
Admissions	328,668	-	328,668	369,353	-	369,353
	636,435	-	636,435	707,465	-	707,465

4 Other trading activities

	Unres- tricted funds £	Res- tricted funds £	2022 Total £	Unres- tricted funds £	Res- tricted funds £	2021 Total £
Shop sales	89,387	-	89,387	97,482	-	97,482
Café sales	522,023	-	522,023	514,756	-	514,756
Column room sales	-	-	-	-	-	-
Function and events income	669,319	-	669,319	376,985	-	376,985
Property income	41,071	-	41,071	5,411	-	5,411
Education income	36,289	-	36,289	34,125	-	34,125
Other income	60,115	-	60,115	38,080	-	38,080
Rental income	12,625	-	12,625	11,000	-	11,000
Hestercombe House income	89,905	-	89,905	86,934	-	86,934
	1,520,734	-	1,520,734	1,164,773	-	1,164,773

5 Investment income

	Unres- tricted funds £	Res- tricted funds £	2022 Total £	Unres- tricted funds £	Res- tricted funds £	2021 Total £
Bank interest	72	-	72	-	-	-

6 Expenditure

Expenditure on raising funds

	Staff costs £	Other direct costs £	2022 Total £	Staff costs £	Other direct costs £	2021 Total £
Trading costs	660,725	495,259	1,155,984	559,301	387,249	946,550
	660,725	495,259	1,155,984	559,301	387,249	946,550

Charitable activities

	Staff costs £	Other direct costs £	2022 Total £	Staff costs £	Other direct costs £	2021 Total £
Visitor centre management & marketing	108,945	297,706	406,651	122,573	258,378	380,951
Restoration / maintenance of Gardens	261,610	193,326	454,936	207,444	176,356	383,800
Support costs	243,170	210,548	453,718	200,449	315,193	515,642
Hestercombe House expenses	43,446	125,297	168,743	31,590	111,910	143,500
	657,171	826,877	1,484,048	562,056	861,837	1,423,893

7 Net income/(expenditure) for the year

This is stated after charging:

	Charity		Subsidiary		Total	
	2022	2021	2022	2021	2022	2021
	£	£	£	£	£	£
Depreciation of owned assets						
- Plant and equipment	116,948	102,461	-	-	116,948	102,461
Interest payable	36,738	41,507	-	-	36,738	41,507
Auditors' remuneration for:						
Audit services	5,500	5,500	2,000	1,750	7,500	7,250
Accounting services	4,113	7,588	513	1,224	4,626	8,812
	<u>166,399</u>	<u>157,056</u>	<u>2,513</u>	<u>2,974</u>	<u>168,912</u>	<u>160,283</u>

8 Trustee directors

The charity trustees were not paid or received any other benefits from employment with the Trust or its subsidiary in the year (2021: £nil). There were no reimbursed expenses paid (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2022	2021
Management	2	2
Finance and admin	13	11
Gardens	9	8
Shop and ticket office	11	11
Catering	30	28
	<u>65</u>	<u>60</u>

Employment costs	2022	2021
	£	£
Wages and salaries	1,190,186	1,021,043
Social security costs	96,482	73,040
Other pension costs	31,228	27,274
	<u>1,317,896</u>	<u>1,121,357</u>

During the year, there were no costs paid in respect of employee redundancies (2021: £nil).

The number of employees whose annual emoluments were £60,000 or more were:

	2022	2021
	number	number
£60,000 - £70,000	1	-
£90,000 - £100,000	1	1

The key management personnel of the group comprise those of the Trust and the key management personnel of its wholly owned subsidiary Hestercombe Gardens Limited. The key management personnel of the group comprise the directors and the Chief Executive Officer. The total employee benefits, including employer NI and employer pension contribution, of the key management personnel of the Trust were £170,932 (2021: £182,901).

10 Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £14,071 (2021 - £15,251).

Contributions totalling £2,581 (2021 - £1,773) were payable to the scheme at the end of the year and are included in other creditors.

11 Tangible fixed assets

Group	Plant & Equipment £	Total £
Cost		
At 1 January 2022	1,052,187	1,052,187
Additions	273,937	273,937
Disposals	(6,870)	(6,870)
Transfers	-	-
At 31 December 2022	1,319,254	1,319,254
Depreciation		
At 1 January 2022	637,793	637,793
Charge for the year	118,414	118,414
Disposals	(6,870)	(6,870)
Transfer	-	-
At 31 December 2022	749,337	749,337
Net book value		
At 31 December 2022	569,917	569,917
At 1 January 2022	414,394	414,394

The above assets are all held by the charity.

12 Heritage assets

	Artwork	Freehold Land and Buildings	Total
	£	£	£
Cost			
At 1 January 2022	75,930	10,697,496	10,773,426
Additions	18,200	-	18,200
At 31 December 2022	94,130	10,697,496	10,791,626
Summary of heritage asset transactions	2022	2021	2020
Purchases and transfers			
Artwork	18,200	9,387	12,495
Freehold land and buildings	-	105,516	166,852
Total additions	18,200	114,903	179,347
Transfers out			
Artwork	-	-	-
Freehold land and buildings	-	-	250,234

Land and buildings relate to the Hestercombe estate which consists of the formal gardens and properties as well as a farm. The properties and gardens are managed and maintained by the estate manager with a team of gardeners and maintenance staff and volunteers. Under the guidance of the management team, they perform work that ensures the gardens are true to the original vision.

Artwork consists of paintings that are linked to the estate and are held for public display. The paintings are assessed when purchased and any required restoration work performed at that time.

13 Investment property

	Investment property
As at 1 January 2022	1,050,000
At 31 December 2022	<u>1,050,000</u>

The Trustees consider the value in the accounts represents the open market value of the properties at the year end. The investment properties were purchased and are held for their historical importance as they are considered an integral part of the estate.

14 Investments

	Total 2022 £	Charity Total 2021 £
Hestercombe Gardens Limited Ordinary shares of £1 each	<u>1</u>	<u>1</u>

Hestercombe Gardens Limited (company no 04732755) was incorporated on 13 April 2003 as a wholly owned trading subsidiary of Hestercombe Gardens Trust. The parent charity holds 100% of the issued share capital and 100% of the voting rights of the subsidiary trading company.

The principal activities of the company are the operation of a retail outlet and a café at Hestercombe Gardens and the hosting of events, private functions and conferences.

The registered office is the same as that of the Trust, detailed on page 1.

The subsidiary donates any taxable profits to Hestercombe Gardens Trust, and files audited accounts with the Registrar of Companies.

Hestercombe Gardens Trust

Notes to the Financial Statements

For the Year Ended 31 December 2022

A summary of the trading results is shown below:

	2022	2021
	£	£
Turnover	1,298,354	1,000,223
Cost of sales	(1,054,355)	(861,128)
Gross profit	243,999	139,095
Administrative expenses	(235,415)	(216,176)
Other operating income	-	114,889
Operating profit and profit before tax	8,584	37,808
Gift aid to Hestercombe Gardens Trust	-	-
Retained in subsidiary	8,584	37,808
The assets and liabilities were:		
Current assets	227,282	381,342
Current liabilities	(244,811)	(407,455)
Total net assets	(17,529)	(26,113)
Called up share capital	1	1
	1	1

15 Stocks

	Group	2022	Group	2021
	£	Charity	£	Charity
		£		£
Goods for resale	30,702	-	34,078	-

16 Debtors

	Group	2022	Group	2021
	£	Charity	£	Charity
		£		£
Trade debtors	6,822	1,650	41,062	7,427
Amounts owed from group undertakings	-	-	-	98,948
Prepayments and accrued income	114,347	108,108	254,286	249,432
VAT	-	13,583	-	29,927
	121,169	123,341	295,348	385,734

17 Creditors: Amounts falling due within one year

	2022		2021	
	Group	Charity	Group	Charity
	£	£	£	£
Trade creditors	142,338	77,492	226,231	179,098
Other creditors and deferred income	113,397	43,855	204,390	48,744
Accruals	93,066	62,520	285,296	247,332
Bank loans	24,136	24,136	27,338	27,338
Bank overdrafts	-	-	-	-
Taxation and social security	79,507	13,213	49,046	11,209
Amounts owed to group undertakings	-	165,440	-	-
Other loans	10,099	10,099	12,000	12,000
Hire Purchase	1,601	1,601	6,175	6,175
	<u>464,144</u>	<u>398,356</u>	<u>810,476</u>	<u>531,896</u>

Deferred Income

	2022		2021	
	Group	Charity	Group	Charity
	£	£	£	£
Deferred income at 1 January 2022	199,145	45,902	204,631	47,768
Released from previous years	(175,802)	(35,902)	(137,067)	(32,622)
Resources deferred in the year	80,668	24,786	131,581	30,756
	<u>104,011</u>	<u>34,786</u>	<u>199,145</u>	<u>45,902</u>

At the balance sheet date the trust was holding funds received in advance from venue hire and rental and memberships received in advance.

18 Creditors: Amounts falling due in more than one year

	2022		2021	
	Group	Charity	Group	Charity
	£	£	£	£
Bank loans	119,658	119,658	119,427	119,427
Other loans	43,288	43,288	376,469	376,469
Accruals	94,442	94,442	-	-
Hire purchase	-	-	1,601	1,601
Bank loans > 5 years	814,593	814,593	632,472	632,472
Other loans > 5 years	18,746	18,746	31,253	31,253
	<u>1,090,727</u>	<u>1,090,727</u>	<u>1,161,222</u>	<u>1,161,222</u>

There are three bank loans due in more than 5 years. One is repayable over a 25 year term ending in July 2043, another loan is repayable over a 20 year term ending in September 2039, and the final loan is repayable over a 22 year term ending in September 2044. Interest on these loans are variable at the Bank of England base rate + 3.0%.

The Trust has created a fixed legal charge over the freehold properties of Hestercombe Gardens Trust and a debenture has been created in favour of the bank to secure bank borrowings of £958,387 at the year end (2021 - £500,769).

The other loan due in more than 5 years is a loan, taken out in 2018, to repaid over 10 years with a fixed rate of interest of 2.75%.

19 Summary of movement in funds

2022

	Opening balance £	Incoming resources £	Resources expended £	Transfers & revaluations £	Closing balance £
Unrestricted funds - Group					
General	11,062,122	2,522,253	(2,580,441)	87,611	11,091,545
	11,062,122	2,522,253	(2,580,441)	87,611	11,091,545

	Opening balance £	Incoming resources £	Resources expended £	Transfers £	Closing balance £
Restricted funds - Group					
Gallery	-	42,830	(42,830)	-	-
Bird Box	-	460	(460)	-	-
Buy a Brick	-	876	(876)	-	-
Terrace Seat	-	1,000	-	(1,000)	-
Boshier-Hinton Foundation	-	1,410	-	(1,410)	-
Bench Donation	-	2,500	-	(2,500)	-
Water Garden Project	-	72,701	-	(72,701)	-
Fundraising Strategy	5,275	2,500	(5,175)	-	2,600
Michael Farrington propagating house	2,425	-	-	-	2,425
The Medlock Charitable Trust	20,000	-	(10,000)	(10,000)	-
Portrait Restoration	-	250	(250)	-	-
	27,700	124,527	(59,591)	(87,611)	5,025

19 Summary of movement in funds (cont'd)

	Opening balance £	Incoming resources £	Resources expended £	Transfers & revaluations £	Closing balance £
Unrestricted funds - Charity					
General	11,088,236	1,223,899	(1,290,671)	87,611	11,109,075
	11,088,236	1,223,899	(1,290,671)	87,611	11,109,075

	Opening balance £	Incoming resources £	Resources expended £	Transfers £	Closing balance £
Restricted funds - Charity					
Gallery	-	42,830	(42,830)	-	-
Bird Box	-	460	(460)	-	-
Buy a Brick	-	876	(876)	-	-
Terrace Seat	-	1,000	-	(1,000)	-
Boshier-Hinton Foundation	-	1,410	-	(1,410)	-
Bench Donation	-	2,500	-	(2,500)	-
Countryside	-	-	-	-	-
Water Garden Project	-	72,701	-	(72,701)	-
Fundraising Strategy	5,275	2,500	(5,175)	-	2,600
Michael Farrington propagating house	2,425	-	-	-	2,425
The Medlock Charitable Trust	20,000	-	(10,000)	(10,000)	-
Portrait Restoration	-	250	(250)	-	-
	27,700	124,527	(59,591)	(87,611)	5,025

19 Summary of movement in funds (cont'd)

Prior year - 2021

	Opening balance £	Incoming resources £	Resources expended £	Transfers £	Closing balance £
Unrestricted funds - Group					
General	10,400,640	2,551,899	(2,035,559)	145,412	11,062,122
	10,400,640	2,551,899	(2,035,559)	145,412	11,062,122
Restricted funds - Group					
	Opening balance £	Incoming resources £	Resources expended £	Transfers £	Closing balance £
Gallery	5,682	44,350	(50,032)	-	-
Bird Box	-	2,000	(2,000)	-	-
Buy a Brick	-	680	(680)	-	-
National Lottery Heritage Fund					
-Culture Recovery					
-Round 1	6,247	132,200	(138,447)	-	-
-Round 2	-	129,000	(129,000)	-	-
Countryside Stewardship	-	94,882	-	(94,882)	-
Fundraising Strategy	-	10,000	(4,725)	-	5,275
Michael Farrington propagating house	2,425	-	-	-	2,425
Historic England	6,750	2,250	(9,000)	-	-
The Medlock Charitable Trust	-	20,000	-	-	20,000
Portrait Restoration	-	1,000	(1,000)	-	-
	21,104	436,362	(334,884)	(94,882)	27,700

19 Summary of movement in funds (cont'd)

Prior year – 2021

	Opening balance £	Incoming resources £	Resources expended £	Transfers £	Closing balance £
Unrestricted funds - Charity					
General	10,464,562	1,507,503	(1,028,971)	145,142	11,088,236
	10,464,562	1,507,503	(1,028,971)	145,142	11,088,236
Restricted funds - Charity					
	Opening balance £	Incoming resources £	Resources expended £	Transfers £	Closing balance £
Gallery	5,682	44,350	(50,032)	-	-
Bird Box	-	2,000	(2,000)	-	-
Buy a Brick	-	680	(680)	-	-
National Lottery Heritage Fund					
-Culture Recovery					
-Round 1	6,247	132,200	(138,447)	-	-
-Round 2	-	129,000	(129,000)	-	-
Countryside Stewardship	-	94,882	-	(94,882)	-
Fundraising Strategy	-	10,000	(4,725)	-	5,275
Michael Farrington propagating house	2,425	-	-	-	2,425
Historic England	6,750	2,250	(9,000)	-	-
The Medlock Charitable Trust	-	20,000	-	-	20,000
Portrait Restoration	-	1,000	(1,000)	-	-
	21,104	436,362	(334,884)	(94,882)	27,700

General unrestricted funds are available to spend on activities that further the purposes of the charity.

The gallery funding was provided by the Arts Council and Taunton Deane Borough Council to develop the Gallery within Hestercombe House.

The Buy a Brick and Commemorative Trees funds are remembrance funds that were fully spent in the year. Donations received from The Medlock Charitable Trust were fully spent on a painting and artist engagement during the year.

19 Summary of movement in funds (cont'd)

The Culture Recovery Funds are grants from the National Lottery Heritage Fund that are to fund fixed costs to support the charity through the Covid-19 pandemic.

The Water Garden Project relates to grants from Countryside Stewardship grant and the RPA for the restoration of the water gardens. The project was completed during the year end and is capital in nature. The capital costs incurred have therefore been transferred to unrestricted reserves.

The Michael and Madeleine Farrington donations are towards the propagating house project which did not commence before the year end.

The Historic England grant is for the repair of the closet tower roof. This work had not been undertaken during the year so the funds have been carried forward.

Donations received for Bird Boxes and Portrait Restoration were fully spent during the year. Donations received towards capital costs such as the Terrace Seat, Bench and wheelchairs (Boshier-Hilton Foundation) were fully spent during the year and transferred to unrestricted reserves.

20 Analysis of assets between funds – Group

	Fixed assets £	Cash at bank and in hand £	Other net current liabilities £	Creditors more than one year £	Total £
Unrestricted funds	12,411,543	83,002	(312,273)	(1,090,727)	11,091,545
Restricted funds	-	5,025	-	-	5,025
As At					
31 December 2022	12,411,543	88,027	(312,273)	(1,090,727)	11,096,570

Analysis of assets between funds – Charity

	Fixed assets £	Cash at bank and in hand £	Other net current liabilities £	Creditors more than one year £	Total £
Unrestricted funds	12,411,544	63,273	(275,015)	(1,090,727)	11,109,075
Restricted funds	-	5,025	-	-	5,025
As At					
31 December 2022	12,411,544	68,298	(275,015)	(1,090,727)	11,114,100

Prior year – 2021 – Group and Charity

	Fixed assets	Cash at bank and in hand	Other net current liabilities	Creditors more than one year	Total
	£	£	£	£	£
Unrestricted funds	12,237,820	466,574	(481,050)	(1,161,222)	11,062,122
Restricted funds	-	27,700	-	-	27,700
As At					
31 December 2021	12,237,820	494,274	(481,050)	(1,161,222)	11,089,822

The analysis for the Trust is identical to the Group in 2021 with the exception of the unrestricted funds, where investments represent £1, cash at bank £157,799 and other net current liabilities £146,162.

21 Income and expenditure account of the Trust

The company has taken advantage of Section 408 of the Companies Act and has not included its own Income and Expenditure Account or separate Statement of Financial Activities.

Prior to gift aid amounts received from the subsidiary, Hestercombe Gardens Trust has net outgoing resources for the year of £1,836 (2021: incoming £630,270) based on income of £1,348,426 (2021: £1,943,865).

22 Related party transactions

The charity has taken advantage of the exemption in FRS 102 “Related Party Disclosures” from disclosing transactions with other members of the group.

During the year Hestercombe Gardens purchased an asset from the CEO Philip White for the value of £18,200 (2021: none).

23 Contingent liabilities

Grants received from the National Heritage Memorial Fund amounting to £5,931,000 as at 31 December 2018 may become subject to partial repayment in the event grant aided assets are sold. The amounts potentially repayable are secured by a legal charge in favour of the National Heritage Memorial Fund.

HESTERCOMBE GARDENS TRUST LIMITED

England & Wales - Charity number 1060000

Accounts

Hestercombe Gardens Trust
(A Charitable Company Limited by Guarantee)

Annual Report and Financial Statements

For the Year Ended 31 December 2021

Company Number: 03287766
Charity Registered in England and Wales Number: 1060000

Hestercombe Gardens Trust

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Hestercombe Gardens Trust

Reference and Administrative Details

For the Year Ended 31 December 2021

Trustee Directors

Godfrey Davis, FCA
Dr Marion Harney, FHEA
Cllr Marcia Hill
Jo Matthews, MSc
Catherine O'Sullivan, MSc
Catherine Pease, MA (Cantab), AADip, RIBA
Rupert Taylor, BSc Hons, FCCA
Josephine Waley-Cohen

Secretary

Nicholas Francombe LLB

Chief Executive Officer

Philip White MBE

Charity Number

1060000

Company Number

03287766

Principal Address and Registered Office

Hestercombe Gardens
Cheddon Fitzpaine
Taunton
Somerset
TA2 8LG

Auditors

Albert Goodman LLP
Goodwood House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

Bankers

Triodos Bank NV
Deanery Road
Bristol
BS1 5AS

HSBC Bank Plc
17 North Street
Taunton
Somerset
TA1 1NA

CAF Bank
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Solicitors

Clarke Willmott LLP
Blackbrook Gate
Taunton
Somerset
TA1 2PG

Hestercombe Gardens Trust
Trustee Directors' Report
For the Year Ended 31 December 2021

The Trustees, who are also directors for the purposes of the Companies Act, present their report and the financial statements of the charity for the year ended 31 December 2021, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

References and Administrative Details

Administrative information is given in a separate section at the front of these accounts.

Directors and Trustees

The directors of the Company are the Charity's trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees serving during the year and since the year end are as follows:

David Yiend	(Chairman) (Resigned 14 May 2022)
Godfrey Davis, FCA	
Dr Marion Harney FHEA	
Cllr Marcia Hill	
Jo Matthews, MSc	
Catherine O'Sullivan, MSc	
Catherine Pease, MA (Cantab), AADip, RIBA	
Annie Prebensen, BSc, MBA, CFA	(Resigned 12 July 2021)
Anthony Sykes	(Appointed 16 July 2021, Resigned 18 April 2022)
Rupert Taylor, BSc Hons, FCCA	
Josephine Waley-Cohen	

None of the Trustees have any beneficial interest in the Company. All of the Trustees are members of the Company and guarantee to contribute £10 in the event of a winding up.

Structure Governance and Management

The Company is governed by its memorandum and articles of association and is limited by guarantee.

The articles of association provide that there must be between seven and ten trustees; with Taunton Deane Borough Council nominating one trustee. The appointment of replacement trustees is at the discretion of the Company in general meeting.

It is the policy of the Trust to seek to appoint as trustees leaders in their field with a keen interest in the objectives of the Trust and to obtain a balance of skills. All appointments are made in line with Charity Commission guidelines. All newly appointed trustees follow an induction process and there is a programme of ongoing trustee training.

Structure Governance and Management (cont'd)

The Trustees have responsibility for setting the policy for achieving the objectives of the Trust; this is then carried out by the Chief Executive and the executive management team. The commercial activities, including the running of events, functions and weddings, catering and retail activities are carried out through a wholly owned subsidiary, Hestercombe Gardens Limited. The day-to-day management of trading operations is overseen by Managing Director Richard Mira who is Managing Director of Hestercombe Gardens Limited. The profits arising from these activities are returned to the Trust in furtherance of its objectives.

In May 2022 the Chairman, David Yiend, appointed December 2020, tendered his resignation and a new Chairman is currently being sought.

The Risk Register is regularly reviewed and updated by both Trustees and the executive management team in line with the strategic plans and ambitions of the Trust.

The Trustees are very conscious of their duty to promote public access to Hestercombe, to manage the heritage assets in a socially inclusive way and to continue to grow Hestercombe into a site of national and international importance and an economic and cultural driver of regional prosperity. Their policy is to remunerate all their staff fairly in accordance with good practice, observing appropriate legislation eg regarding the minimum wage, diversity etc at the same time ensuring the health, safety, and personal advancement of all staff, while operating in a financially prudent and sustainable way.

All Trustees of Hestercombe Gardens Trust serve as volunteers and are unpaid; some claim travel expenses when attending meetings. A Governance and Organisational Structure Committee, composed of at least two Trustees, meets five times a year and considers senior executive pay and reports to Trustees at each full meeting of Trustees. Remuneration for the Chief Executive is set by the Committee with advice from the Trust's financial advisor and is benchmarked against comparable roles as far as this is possible.

On 5th July 2021 Warren Leavens joined the Senior Management Team as Estates Manager. Warren was previously estates manager for a multi academy trust responsible for eight schools in North Somerset. He has a NEBOSH Diploma, extensive knowledge of facilities practices and statutory compliance and we therefore are confident that Hestercombe is in safe hands.

The remuneration of the six full-time (General Manager, Finance Manager, Estates Manager, Head Gardener and Marketing & Communications Manager) and one part-time (Creative Director) senior executive staff is set by the Chief Executive in accordance with their individual contracts and reported to the Governance and Organisational Structure Committee.

Objectives and Activities

The principal objects of the Trust are:

For the education and benefit of the public to:

- (1) reclaim, restore, preserve, enhance and develop the landscape, gardens and buildings of heritage, horticultural or architectural interest associated with Hestercombe; and
- (2) maintain develop enhance and preserve and provide public access to archives databases and collections relating to landscapes, gardens, and buildings of heritage, horticultural or architectural interest; and
- (3) undertake and support educational work and research and provide resources for the public relating to landscapes, gardens, and buildings of heritage, horticultural or architectural interest.

Objectives and Activities (cont'd)

The vision of the charity is for Hestercombe to be a place where creative ideas grow and its mission is to build on our heritage of innovation, culture, creativity and green care by developing our public spaces to generate opportunities for health and happiness for everyone. We connect people to the research, study and enjoyment of arts and the natural environment that is locally rooted with international reach.

2021 was a difficult year, although, like the curate's egg, good in parts.

A new Hestercombe website was launched in early 2021 which saw an increase in page views of 75% (159K vs 91K) compared with the same period in 2019 (not counting 2020 as this was a non-standard year for website views due to the pandemic). We also delivered our first online event by zoom, the Bampfylde Lecture with Sir Andrew Burns KCMG which was attended virtually by 80 people.

There were some very significant additions to the archive and collection including a fine, signed watercolour by Bampfylde of an imaginary scene in the style of Claude; a contemporary engraving of Bampfylde Moore Carew after the portrait commissioned by Bampfylde from Richard Phelps; and two rare etchings after a drawing by Bampfylde of Sir Thomas Morgan, copied from the original at Halswell, by his contemporary Elizabeth Gulston. Lastly, a first edition of a 1755 engraving from the set of five by George Lambert and Samuel Scott of 'A View from Mount Edgcumbe'. Drawn for the engraver by Bampfylde this completes the set of five first edition prints held by the archive.

Fiona Baker, Data Manager P&G UK joined in May 2021 and has made a significant impact on the project including recruiting volunteers to assist with inputting data.

Staffing was a considerable issue and we have struggled to staff both front and back of house in our catering teams (a national problem not unique to Hestercombe), which has taken its toll on the team. We hosted 45 weddings in total during 2021 having been very cautious in our budgeting for weddings as it was not known how COVID restrictions might impact on bookings. However, we were pleased to considerably exceed our anticipated income in this area.

We were able to reinstate the Christmas Market in November with admission by advance tickets only in order to ensure Covid safety and the event proved as popular as ever.

The light show, Illuminate, was a new event for Hestercombe and was a notable success. We completely sold out of tickets, received generally positive feedback and increased spend per head in catering and trading. There was feedback that the trail was not long enough and could have been more engaging and it is our intention to address this when we repeat the event for Christmas 2022.

The fully funded (£310,000) project to restore the water features in the Landscape garden and the C17th Water garden in the park achieved its aims by the end of 2021. The addition of a summerhouse on the island and the restoration of the boathouse are planned for 2022 with the garden opening to the public in the summer of 2022. The Water garden has added a major new component to the Hestercombe experience and confirms Hestercombe as one of the most historically important gardens in the country with four complete period gardens.

The renovation of Grade 2 listed Middle Lodge was completed during the year and the cottage is now tenanted.

Objectives and Activities (cont'd)

We were fortunate to receive in excess of £750,000 of support from the Cultural Recovery Fund (CRF) as part of the government's efforts to support the cultural sector through the turmoil of Covid-19. The CRF grant that was awarded as part of the second wave of funding in April was the tenth largest among nearly 500 awards – a testament to the esteem in which Hestercombe is held.

No further progress has been made with the acquisition of the land at Gotton following the imposition by the Crown Estate, at the end of 2020, of a moratorium on all agricultural land sales before December 2021. However, discussions are continuing which will hopefully enable this last piece of the Grade 1 landscape to be secured by the trust.

Lockdown, as a result of a resurgence of the Covid-19 pandemic at the beginning of the year, provided the space and opportunity to fulfil our 2021 Business Plan commitment to rethink our retail offer. Initially led by the front of house and catering teams we revised the catering offer in the Visitor Centre courtyard and completely redesigned the Stables café as a waitered restaurant. The Gift shop was removed and replaced by a coffee, cake and gelato ice cream outlet which also provided food for takeaway. This project, the first major development in the Visitor Centre for 15 years has proved remarkably successful. Capital expenditure on the project totalled just over £46k. Details of the return on investment expectation is outlined in the Trading section, below. To be finally completed in 2022 with the re-siting of the current plant sales area, this development will nearly double the number of covers in the visitor centre, thereby reducing queues and waiting time for the benefit of visitors.

The Gift shop has been moved into the House, behind the pay barrier, and transformed into a Gallery shop offering a more refined and gallery-related stock to reinforce and reflect the status of the gallery. The Gallery shop fully opened in May 2022 and initial indications are that the shop has not suffered but actually gained from being in its new position.

In order to secure Hestercombe's financial security by reducing borrowings, discussions with Somerset County Council to relieve the charity of its long term £340,000 loan were successfully concluded. In exchange we have undertaken to provide a range of social benefits to the local community, including free school visits.

Public Benefit and Engagement

Throughout 2021 we were gradually able to continue with a programme of exhibitions and events despite the pandemic, and lockdowns. The first planned exhibition 'Landscape Portrait: Now and Then' had to be rescheduled and finally opened in May 2021, which meant that the loans for the show from the Arts Council Collections and the Courtauld Institute, amongst others had to be rearranged. A new film created for the exhibition by Trish Morrissey also had to be postponed until post lockdown, when the crew were able to work together.

We successfully renegotiated our agreement with the V&A to extend the Bampfylde show in the Portman Room until later in April and the outdoor art programme 'Open Up', continued into October with the new addition of Mariele Neudecker's sculpture 'A Thousand Ghosts' installed below the Edwardian garden in April. The work is in the form of a half-emerged ship which alludes to Britain's naval history, as well as, for Hestercombe, C W Bampfylde's relationship with the sea.

Public Benefit and Engagement (cont'd)

The sculpture coincided with Neudecker's exhibition 'SEDIMENT' installed in August, a large retrospective of works by the artist from the last three decades, including recent works made at CERN, shown in the UK for the first time, as well as a new work for Hestercombe relating to C.W. Bampfylde. The exhibition opening was well attended by over a hundred people. Sir Richard Long also gave a talk about his work.

The 'Artists and the Garden' Conference, due to take place at Hestercombe in May was delayed until September and has since had to be rescheduled again until September 2022. Kingston University has received nearly 40 papers from around the world for the conference, showing the appetite for the 'Artists and the Garden' theme, and Hestercombe in particular.

We created a film for schools about the Romantic Poets and their relationship to the Quantocks, as part of our work as curatorial lead with Spaeda and the Quantocks Landscape Partnership Scheme; we are also re-engaging with local schools, through events such as 'Charcoal Burning', as well as creating a bank of engagement ideas using past artists who have worked with us.

At the beginning of October, a small exhibition of work in partnership with Mencap and Reflect was shown in the 'Medieval Arch' space in Hestercombe House. This was timed to coincide with performances by leading specialist theatre company Frozen Light, who make performances for those with severe disabilities, again in partnership with Reflect. Set out rather like a fairground on the marquee lawn, the event was a great success and also much admired by general visitors.

We hosted Fiona McDonald 'Feral Practice' on a two-week residency, and Madinah Thompson for a week. Both will make new work that will feature in future exhibitions and were supported through the Ingram Collection Residency programme with which Hestercombe is a partner.

As part of working towards becoming an ACE accredited museum we have met with experts from SW Museums, who have looked at our collections with museum curator Kate Best to help us consider our action plan, documentation and our core collections, this work is ongoing.

In November our winter show 'Changing Atmospheres' opened featuring new and recent works by Paul Emmanuel, Fiona Hingston, Trish Morrissey, Susie Olczak, Alexandra Searle, Lucy Soni, Peter Stiles, Madinah Farhannah Thompson and Matt Stokes. The exhibition featured painting in its many forms, sculpture, film, performance and an amazing 16 channel sound work, based on C18th fauna, using C18th instruments. Some of the newly commissioned work was initially postponed by the pandemic, all the artworks respond to our relationship with place and flora and fauna, which for many has taken on new meanings during the past 18 months. One of the galleries also features a lockdown sketchbook project, run by SPAEDA, for arts educators. We had a very successful preview with eight of the nine artists and SPAEDA artists attending.

Financial Review

The Trust enjoyed much better financial results in 2021 than in 2020 following the easing of restrictions imposed by the Covid pandemic and the support provided by way of grants and donations.

Total income amounted to £2.988m in 2021 (2020: £1.846m). The Trust received substantial support by way of grants from National Lottery Fund, the government's business support scheme, Job Retention Scheme, Arts Council, Countryside Stewardship and other grants and donations which altogether made up £1.116m of the total income:

National Lottery Heritage Fund	£781,500
Arts Council	£28,875
Countryside Stewardship	£94,882
Other Grants and Donations	£43,597
Job Retention Scheme Grants	£93,052
Other Covid Business support Grants	£37,274
Donations and Legacies	£36,843

Total **£1,116,023**

Income from trading activities more than doubled in 2021 to £1.165m compared to the previous year (2020: £0.54m). Trading activities benefitted in particular from the resumption of weddings and other events and income increased from £49k in 2020 to £377k in 2021. The improvement in the trading results has brought the trading subsidiary back into profit for the year and reduced its net liabilities.

Hestercombe's members have been highly supportive during the pandemic and membership income grew by 18% in 2021 to £338k. Income from admissions also grew substantially following the easing of Covid restrictions and amounted to £369k (2020: £201k).

The Trust spent £1.424m on its charitable activities (2020: £1.057m) and reported a surplus before revaluations for the year of £618k (2020: £141k). The Trust balance sheet records total assets of £11.09m (2020: £10.422m).

Reserves policy

The current reserves policy reflects the long term nature of the charity and the investment that has needed to be made to protect it. Long term aspirations and potential income generation has been put before the building up of unrestricted reserves in the short term. The result of this is that there is a deficit in freely available reserves (unrestricted reserves less fixed assets net of long term debt) of £15k (2020: £475k) at the year end.

Auditors

The auditors, Albert Goodman LLP, are deemed to be re-appointed under Section 487(2) of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Statement of trustees' responsibilities

The Trustees (who are directors of the Hestercombe Gardens Trust Limited for the purposes of company law) are responsible for preparing the Trustee Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standard have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that 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. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure to our auditors

In so far as the Trustees are aware at the time of approving our Trustees' annual report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report of which the group's auditor is unaware; and
- The trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all the steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of the information.

By order of the Trustees.

Cllr Marcia Hill
Trustee
Hestercombe Gardens Trust

20th September 2022

Hestercombe Gardens Trust

Independent Auditors' Report to the Trustees and Members For the Year Ended 31 December 2021

Opinion

We have audited the financial statements of Hestercombe Gardens Trust (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2021, which comprise the consolidated Statement of Financial Activities, the consolidated and parent charitable company Balance Sheets, the consolidated and parent charitable company Statement of Cash Flows, 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 Generally Accepted Accounting Practice, including Financial Reporting Standard 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 December 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;

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 trustee's 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 society's ability to continue as a going concern for a period of at least twelve months from the original financial statements were authorised for use.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

Hestercombe Gardens Trust

Independent Auditors' Report to the Trustees and Members For the Year Ended 31 December 2021

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.

Opinion 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 have 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' Report.

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

- adequate 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 company 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 prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities (set out on page 8), the trustees (who are also the directors of the parent charitable company for the purposes of company law) are 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 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 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 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

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:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- 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;
- we identified the laws and regulations applicable to the company through discussions with trustees and other management, and from our commercial knowledge and experience of the 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 group, including the Companies Act 2006, Charities Act 2011, employment, environmental, food hygiene legislation and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Hestercombe Gardens Trust

Independent Auditors' Report to the Trustees and Members

For the Year Ended 31 December 2021

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Use of our report

This report is made solely to the group and parent 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 group and parent 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 group and parent charitable company and the group and parent charitable company's members as a body and the parent charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Robert Oram BFP FCA (Senior Statutory Auditor)
for and on behalf of Albert Goodman LLP, Statutory Auditor

Goodwood House
Blackbrook Park Avenue
Taunton
TA1 2PX

22nd September 2022

Hestercombe Gardens Trust

Consolidated Statement of Financial Activities (including an Income & Expenditure account)

For the Year Ended 31 December 2021

				2021			2020
		Unres-	Res-	Total	Unres-	Res-	Total
	Notes	tricted	tricted		tricted	tricted	
		£	£	£	£	£	£
Income from:							
Grants, donations and legacies	2	679,661	436,362	1,116,023	341,165	477,766	818,931
Charitable activities	3	707,465	-	707,465	488,219	-	488,219
Other trading activities	4	1,164,773	-	1,164,773	539,167	-	539,167
Investments	5	-	-	-	2	-	2
Total income		2,551,899	436,362	2,988,261	1,368,553	477,766	1,846,319
Expenditure on:							
Trading costs	6	946,550	-	946,550	648,079	-	648,079
Charitable activities	6	1,089,009	334,884	1,423,893	760,748	296,121	1,056,869
Total expenditure		2,035,559	334,884	2,370,443	1,408,827	296,121	1,704,948
Net income/(expenditure) for the year		516,340	101,478	617,818	(40,274)	181,645	141,371
Gain on revaluation of investment property	13	50,260	-	50,260			
Transfer between funds	19	94,882	(94,882)	-	162,481	(162,481)	-
Net movement in funds for the year		661,482	6,596	668,078	122,207	19,164	141,371
Reconciliation of funds							
Total funds brought forward		10,400,640	21,104	10,421,744	10,278,433	1,940	10,280,373
Total funds carried forward		11,062,122	27,700	11,089,822	10,400,640	21,104	10,421,744

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

All income and expenditure derive from continuing activities.

Hestercombe Gardens Trust – Company Registration Number: 03287766
Balance Sheet and Consolidated Balance Sheet
As at 31 December 2021

		2021		2020	
		£	£	£	£
	Notes	Group	Charity	Group	Charity
Fixed assets					
Tangible fixed assets	11	414,394	414,394	342,847	609,847
Heritage assets	12	10,773,426	10,773,426	10,658,523	10,658,523
Investment property	13	1,050,000	1,050,000	965,268	698,268
Investments	14	-	1	-	1
		12,237,820	12,237,821	11,966,638	11,966,639
Current assets					
Stock	15	34,078	-	41,029	-
Debtors	16	295,348	385,734	178,516	191,649
Cash at bank and in hand		494,274	185,499	123,163	88,353
		823,700	571,233	342,708	280,002
Liabilities:					
Creditors: amounts falling due within one year	17	(810,476)	(531,896)	(817,254)	(690,627)
Net current liabilities		13,224	39,337	(474,546)	(410,625)
Amounts falling due after more than one year	18	(1,161,222)	(1,161,222)	(1,070,348)	(1,070,348)
Total net assets		11,089,822	11,115,936	10,421,744	10,485,666
The funds of the charity:					
Unrestricted funds:					
General funds	19	11,062,122	11,088,236	10,400,640	10,464,562
Restricted funds	19	27,700	27,700	21,104	21,104
Total charity funds		11,089,822	11,115,936	10,421,744	10,485,666

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared and delivered in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes on pages 17 – 38 form part of these accounts.

Approved by the Board on 20th September 2022 and signed on their behalf by:

Cllr Marcia Hill
Trustee

Hestercombe Gardens TrustStatement of Cash Flows and Consolidated Statement of Cash Flows
For the Year Ended 31 December 2021

		2021		2020	
		£	£	£	£
	Notes	Group	Charity	Group	Charity
Cash flows from operating activities					
Net income/(expenditure) for the year		668,078	630,270	141,371	205,293
Adjustments to cash flows from non-cash items:					
Depreciation and amortisation	11	102,462	102,462	73,893	73,893
Finance Income	5	-	-	(2)	(2)
Finance expense		41,507	41,507	46,379	46,379
Revaluation of investment property		(50,260)	(50,260)	-	-
		761,787	723,979	261,641	325,563
Working capital adjustments					
Decrease/(increase) in stocks	13	6,951	-	11,376	928
(Increase)/decrease in debtors	14	(116,831)	(194,084)	(35,398)	(63,205)
Increase in creditors	15	349,768	197,815	25,556	11,328
Net cash flow from operations		1,001,675	727,710	263,175	274,614
Cash flows from investing activities					
Purchase of tangible fixed assets	11	(174,010)	(174,010)	(35,597)	(35,597)
Purchase of heritage assets	12	(114,903)	(114,903)	(179,347)	(179,347)
Purchase of investment property	13	(34,472)	(34,472)	(16,766)	(16,766)
Interest received	5	-	-	2	2
		(323,385)	(323,385)	(231,708)	(231,708)
Cash flows from financing activities					
Interest paid	7	(41,507)	(41,507)	(46,379)	(46,379)
Repayment of loans and hire purchase	18	(22,816)	(22,816)	(18,194)	(18,194)
		(64,323)	(64,323)	(64,573)	(64,573)
Net decrease in cash and cash equivalents		613,967	340,002	(33,106)	(21,667)
Cash and cash equivalents at the beginning of the reporting period					
		(119,693)	(154,503)	(86,587)	(132,836)
Cash and cash equivalents at the end of the reporting period		494,274	185,499	(119,693)	(154,503)
Cash & Cash equivalents reconciliation:					
Cash at bank		494,274	185,499	(119,693)	(154,503)
Total cash & cash equivalents at the end of the reporting period		494,274	185,499	(119,693)	(154,503)
Analysis of cash and cash Equivalents					
Cash in hand		494,274	185,499	123,163	88,353
Overdraft facility repayable on demand		-	-	(242,856)	(242,856)
Total cash & cash equivalents at the end of the reporting period		494,274	185,499	(119,693)	(154,503)

1 Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are as follows:

1.1 Basis of accounting

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) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Hestercombe Gardens Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s) and all amounts are presented in £ sterling.

These financial statements consolidate the results of the Charity and its wholly owned subsidiary, Hestercombe Gardens Limited, on a line by line basis. The "Group" heading within the balance sheet refers to the consolidated accounts of the Hestercombe Gardens Trust Limited and Hestercombe Gardens Limited.

In the parent company financial statements the investment in the trading subsidiary is accounted for at cost less impairment.

A separate Statement of Financial Activities or income and expenditure account, for the Charity itself has not been presented because the Charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006.

Going Concern

As set out in the Trustees' Report, the Trust's operations during 2021 continued to be impacted by Covid-19. The Trust continued to make use of the government furlough scheme and benefited from a further grant from the National Lottery Heritage Fund. These measures have strengthened working capital resources to enable the Trust to continue to pursue its objectives and look to the future with confidence. On this basis the Trustees are satisfied the Trust continues to be a going concern and hence the going concern basis of accounting adopted in these accounts is appropriate.

1.2 Legal status of the Trust

The Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

The company is incorporated in England and Wales and the company registered office is detailed on page 1, reference and administration details.

1.3 Income

Income from grants and donations is recognised in the year in which they are receivable when there is evidence of entitlement, receipt is probable and the amount can be reliably measured. Where income has not been received for gift aid claims relating to donations received in the year, income is accrued.

Income from grants and government grants, where 'capital' or 'revenue', is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Where no conditions are attached to grant income they are recognised within grants, donations and legacies and where conditions relating to performance of services are attached, grant income is recognised income from charitable activities within the Statement of Financial Activities.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income from charitable activities includes membership and admissions income. Membership income is accounted for in full in the year that the membership commences. Admission income is recognised on a cash basis, in the year the income is physically received.

Income from other trading activities is included in the period in which the group is entitled to receipt, it is probable that economic benefits will flow to the entity and the amount can be reliably measured.

1.4 Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1.5 Expenditure

Resources expended are recognised on the accruals basis to match the period in which the expenditure was incurred.

Raising funds is expenditure incurred in generating the trading subsidiary funds and from trading activities carried out by the trust relating to Hestercombe House activities.

Charitable activity expenditure comprises costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and costs of an indirect nature necessary to support them. Support costs include finance, administration, governance and CEO costs and are allocated to the trust charitable services equally.

1.6 Operating leases

The Trust classifies the lease of property as operating leases as title remains with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

1.7 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Trust.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Trust's work or for specific artistic projects being undertaken by the Trust.

1.8 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Tangible fixed assets are normally capitalised where the value of an asset or group of related assets exceeds £500. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life as follows:

Plant and equipment	3, 5, 10, 20 or 25 years straight line
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1.9 Heritage assets

Heritage assets are held in pursuit of overall objectives in relation to the enjoyment and preservation of heritage. Land, buildings and artwork are recognised at cost or, where donated, at the prevailing current market value at the time of donation. In the opinion of the Trustees the heritage assets have a residual value in excess of cost and therefore no depreciation is charged in the accounts, however they are reviewed annually for impairment with any such impairment passing through the SOFA. Expenditure that is required to preserve or prevent further deterioration of heritage assets is recognised in the SOFA as it is incurred.

1.10 Investment properties

Investment properties are initially measured at cost and subsequently at fair value at the reporting date, with all gains and losses passing through the SOFA.

1.11 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.12 Stock

Stock consists of shop stock for resale, ingredients for the tea room and publication stocks. Stock is valued at the lower of cost and net realisable value, after making allowances for obsolete and slow moving stock.

1.13 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.14 Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

1.15 Defined contribution pension

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as staff pension expense through the profit and loss when they are due.

1.16 Taxation

As a registered charity, the company is not liable to corporation tax or capital gains tax to the extent that its income and gains are applicable to charitable purposes only. Value Added Tax is recoverable by the company, and is therefore excluded within the relevant costs in the Statement of Financial Activities. The charity subsidiary is also able to recover Value Added Tax and is therefore excluded within the relevant costs in the Statement of Financial Activities

1.17 Financial instruments

The charity only holds basic financial instruments as defined by FRS 102. The financial assets and financial liabilities of the charitable company are as follows;

Financial assets – trade and other debtors, accrued income, amounts owed by group undertakings and other debtors are basic financial instruments, and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank – classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, amounts owed to group undertakings, bank loans, accrued expenses and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

1.18 Concessionary loan

The Trust obtained a concessionary loan in a previous year to further its charitable aims free of interest. The loan is initially recognised at transactions value and subsequently measured to reflect the repayments and if necessary any impairments. The loan is recognised in the balance sheet within creditors less than one year and creditors more than one year as 'other loans' in line with the repayment term of the loan.

1.19 Finance lease

The Trust classifies the lease of equipment as a finance lease as substantially all the risks and rewards are retained by the Trust. The equipment is recognised as an asset and the finance loan recognised as a liability in the balance sheet. Payments made under finance leases are charged to the liability in the balance sheet.

2 Grants, donations and legacies

	Unres- tricted funds £	Res- tricted funds £	2021 Total £	Unres- tricted funds £	Res- tricted funds £	2020 Total £
Grants						
National Lottery	520,300	261,200	781,500	-	248,200	248,200
Heritage Fund						
Arts Council	-	28,875	28,875	-	28,875	28,875
Countryside Stewardship	-	94,882	94,882	-	158,981	158,981
Other grants	5,872	37,725	43,597	7,313	36,675	43,988
Exceptional government funding						
Coronavirus JRS grant	93,052	-	93,052	251,987	-	251,987
Other Covid grants	37,274	-	37,274	64,275	-	64,275
	656,498	422,682	1,079,180	323,575	472,731	796,306
Donations and legacies	23,163	13,680	36,843	17,590	5,035	22,625
	679,661	436,362	1,116,023	341,165	477,766	818,931

The group has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under “exceptional government funding”.

The group furloughed some of its staff under the governments CJRS. The funding received of £93,052 relates to staff costs which are included within note 9 as appropriate.

3 Charitable activities

	Unres- tricted funds £	Res- tricted funds £	2021 Total £	Unres- tricted funds £	Res- tricted funds £	2020 Total £
Members of Hestercombe subscriptions	338,112	-	338,112	286,570	-	286,570
Admissions	369,353	-	369,353	201,649	-	201,649
	707,465	-	707,465	488,219	-	488,219

4 Other trading activities

	Unres- tricted funds £	Res- tricted funds £	2021 Total £	Unres- tricted funds £	Res- tricted funds £	2020 Total £
Shop sales	97,482	-	97,482	59,367	-	59,367
Café sales	514,756	-	514,756	246,429	-	246,429
Column room sales	-	-	-	12,689	-	12,689
Function and events income	376,985	-	376,985	48,817	-	48,817
Property income	5,411	-	5,411	13,960	-	13,960
Education income	34,125	-	34,125	23,764	-	23,764
Other income	38,080	-	38,080	34,422	-	34,422
Rental income	11,000	-	11,000	8,167	-	8,167
Hestercombe House income	86,934	-	86,934	91,552	-	91,552
	1,164,773	-	1,164,773	539,167	-	539,167

5 Investment income

	Unres- tricted funds £	Res- tricted funds £	2021 Total £	Unres- tricted funds £	Res- tricted funds £	2020 Total £
Bank interest	-	-	-	2	-	2

6 Expenditure

Expenditure on raising funds

	Staff costs £	Other direct costs £	2021 Total £	Staff costs £	Other direct costs £	2020 Total £
Trading costs	559,301	387,249	946,550	485,284	162,795	648,079
	559,301	387,249	946,550	485,284	162,795	648,079

Charitable activities

	Staff costs £	Other direct costs £	2021 Total £	Staff costs £	Other direct costs £	2020 Total £
Visitor centre management & marketing	122,573	258,378	380,951	112,226	148,817	261,043
Restoration / maintenance of Gardens	207,444	176,356	383,800	218,183	126,391	344,574
Support costs	200,449	315,193	515,642	185,194	176,632	361,826
Hestercombe House expenses	31,590	111,910	143,500	27,223	62,203	89,426
	562,056	861,837	1,423,893	542,826	514,043	1,056,869

7 Net income/(expenditure) for the year

This is stated after charging:

	Charity		Subsidiary		Total	
	2021	2020	2021	2020	2021	2020
	£	£	£	£	£	£
Depreciation of owned assets						
- Plant and equipment	102,461	73,893	-	-	102,461	73,893
Interest payable	41,507	46,379	-	-	41,507	46,379
Auditors' remuneration for:						
Audit services	5,500	4,500	1,750	1,500	7,250	6,000
Accounting services	7,588	4,563	1,224	1,013	8,812	5,576

8 Trustee directors

The charity trustees were not paid or received any other benefits from employment with the Trust or its subsidiary in the year (2020: £nil). There were no reimbursed expenses paid (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2021	2020
Management	2	2
Finance and admin	11	12
Gardens	8	9
Shop and ticket office	11	12
Catering	28	21
	60	56

Employment costs	2021	2020
	£	£
Wages and salaries	1,021,043	936,346
Social security costs	73,040	56,274
Other pension costs	27,274	25,257
	<u>1,121,357</u>	<u>1,017,877</u>

During the year, there were no costs paid in respect of employee redundancies (2020: £14,980). The amounts were full and final with no outstanding amounts due at the balance sheet date.

The number of employees whose annual emoluments were £60,000 or more were:

	2021	2020
	number	number
£90,000 - £100,000	<u>1</u>	<u>1</u>

The key management personnel of the group comprise those of the Trust and the key management personnel of its wholly owned subsidiary Hestercombe Gardens Limited. The key management personnel of the group comprise the directors and the Chief Executive Officer. The total employee benefits, including employer NI and employer pension contribution, of the key management personnel of the Trust were £182,901 (2020: £164,055).

10 Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £15,251 (2020 - £25,257).

Contributions totalling £1,773 (2020 - £2,650) were payable to the scheme at the end of the year and are included in other creditors.

11 Tangible fixed assets

Group	Plant & Equipment £	Total £
Cost		
At 1 January 2021	895,109	895,109
Additions	174,010	174,010
Disposals	(16,932)	(16,932)
Transfers	-	-
At 31 December 2021	1,052,187	1,052,187
Depreciation		
At 1 January 2021	552,263	552,263
Charge for the year	102,462	102,462
Disposals	(16,932)	(16,932)
Transfer	-	-
At 31 December 2021	637,793	637,793
Net book value		
At 31 December 2021	414,394	414,394
At 1 January 2021	342,846	342,846

The above assets are all held by the charity.

12 Heritage assets

	Artwork	Freehold Land and Buildings	Total
	£	£	£
Cost			
At 1 January 2021	66,543	10,591,980	10,658,523
Additions	9,387	105,516	114,903
At 31 December 2021	75,930	10,697,496	10,773,426
Summary of heritage asset transactions	2021	2020	2019
Purchases and transfers			
Artwork	9,387	12,495	7,748
Freehold land and buildings	105,516	166,852	41,075
Total additions	114,903	179,347	48,823
Transfers out			
Artwork	-	-	-
Freehold land and buildings	-	250,234	-

Land and buildings relate to the Hestercombe estate which consists of the formal gardens and properties as well as a farm. The properties and gardens are managed and maintained by the estate manager with a team of gardeners and maintenance staff and volunteers. Under the guidance of the management team they perform work that ensures the gardens are true to the original vision.

Artwork consists of paintings that are linked to the estate and are held for public display. The paintings are assessed when purchased and any required restoration work performed at that time.

13 Investment property

	Investment property
As at 1 January 2021	965,268
Additions	34,472
Revaluation	50,260
At 31 December 2021	1,050,000

The Trustees consider the value in the accounts represents the open market value of the properties at the year end. The investment properties were purchased and are held for their historical importance as they are considered an integral part of the estate.

14 Investments

	Charity	
	Total 2021 £	Total 2020 £
Hestercombe Gardens Limited		
Ordinary shares of £1 each	1	1

Hestercombe Gardens Limited (company no 04732755) was incorporated on 13 April 2003 as a wholly owned trading subsidiary of Hestercombe Gardens Trust. The parent charity holds 100% of the issued share capital and 100% of the voting rights of the subsidiary trading company.

The principal activities of the company are the operation of a retail outlet and a café at Hestercombe Gardens and the hosting of events, private functions and conferences.

The registered office is the same as that of the Trust, detailed on page 1.

The subsidiary donates any taxable profits to Hestercombe Gardens Trust, and files audited accounts with the Registrar of Companies.

Hestercombe Gardens Trust
Notes to the Financial Statements
For the Year Ended 31 December 2021

A summary of the trading results is shown below:

	2021	2020
	£	£
Turnover	1,000,223	375,469
Cost of sales	(861,128)	(605,979)
Gross profit	139,095	(230,510)
Administrative expenses	(216,176)	(88,277)
Other operating income	114,889	254,865
Operating profit and profit before tax	37,808	(63,922)
Gift aid to Hestercombe Gardens Trust	-	-
Retained in subsidiary	37,808	-
The assets and liabilities were:		
Current assets	381,342	182,244
Current liabilities	(407,455)	(246,165)
Total net assets	(26,113)	(63,921)
Called up share capital	1	1
	1	1

15 Stocks

	Group	2021	Group	2020
	£	Charity	£	Charity
		£		£
Goods for resale	34,078	-	41,029	-

16 Debtors

	Group	2021	Group	2020
	£	Charity	£	Charity
		£		£
Trade debtors	41,062	7,427	25,057	18,408
Amounts owed from group undertakings	-	98,948	-	-
Prepayments and accrued income	254,286	249,432	153,459	148,457
VAT	-	29,927	-	24,784
	295,348	385,734	178,516	191,649

17 Creditors: Amounts falling due within one year

	2021		2020	
	Group	Charity	Group	Charity
	£	£	£	£
Trade creditors	226,231	179,098	99,767	89,303
Other creditors and deferred income	204,390	48,744	208,851	50,311
Accruals	285,296	247,332	66,002	44,999
Bank loans	27,338	27,338	18,965	18,965
Bank overdrafts	-	-	242,856	242,856
Taxation and social security	49,046	11,209	40,575	9,201
Amounts owed to group undertakings	-	-	-	94,754
Other loans	12,000	12,000	134,410	134,410
Hire Purchase	6,175	6,175	5,828	5,828
	<u>810,476</u>	<u>531,896</u>	<u>817,254</u>	<u>690,627</u>

Deferred Income

	2021		2020	
	Group	Charity	Group	Charity
	£	£	£	£
Deferred income at 1 January 2021	204,631	47,768	125,718	46,289
Released from previous years	(137,067)	(32,622)	(115,298)	(35,869)
Resources deferred in the year	<u>131,581</u>	<u>30,756</u>	<u>194,211</u>	<u>37,348</u>
Deferred Income at 31 December 2021	<u>199,145</u>	<u>45,902</u>	<u>204,631</u>	<u>47,768</u>

At the balance sheet date the trust was holding funds received in advance from venue hire and rental and memberships received in advance.

18 Creditors: Amounts falling due in more than one year

	2021		2020	
	Group	Charity	Group	Charity
	£	£	£	£
Bank loans	119,427	119,427	115,325	115,325
Other loans	376,469	376,469	250,508	250,508
Hire purchase	1,601	1,601	7,777	7,777
Bank loans > 5 years	632,472	632,472	663,912	663,912
Other loans > 5 years	31,253	31,253	32,826	32,826
	1,161,222	1,161,222	1,070,348	1,070,348

There are two bank loans due in more than 5 years which are repayable over a 25 year term, ending in July 2043 and over a 20 year term ending in September 2039. Interest on these loans are variable at the Royal Bank of Scotland plc base rate + 3.0%. The 20 year term bank loan was received during 2018 to fund the purchase of an investment property and is secured over the investment property.

The Trust has created a fixed legal charge over the freehold properties of Hestercombe Gardens Trust and a debenture has been created in favour of the bank to secure bank borrowings of £500,769 at the year end (2020 - £512,273).

The other loan due in more than 5 years is a loan, taken out in 2018, to repaid over 10 years with a fixed rate of interest of 2.75%.

The hire purchase liability is secured over the asset to which it relates.

19 Summary of movement in funds

2021

	Opening balance £	Incoming resources £	Resources expended £	Transfers & revaluations £	Closing balance £
Unrestricted funds - Group					
General	10,400,640	2,551,899	(2,035,559)	145,142	11,062,122
	10,400,640	2,551,899	(2,035,559)	145,142	11,062,122
Restricted funds - Group					
	Opening balance £	Incoming resources £	Resources expended £	Transfers £	Closing balance £
Gallery	5,682	44,350	(50,032)	-	-
Bird Box	-	2,000	(2,000)	-	-
Buy a Brick	-	680	(680)	-	-
National Lottery Heritage Fund					
-Culture Recovery	-			-	-
-Round 1	6,247	132,200	(138,447)	-	-
-Round 2	-	129,000	(129,000)	-	-
Countryside Stewardship	-	94,882	-	(94,882)	-
Fundraising Strategy	-	10,000	(4,725)		5,275
Michael Farrington propogating house	2,425	-	-	-	2,425
Historic England	6,750	2,250	(9,000)	-	-
The Medlock Charitable Trust	-	20,000	-	-	20,000
John Townson	-	1,000	(1,000)	-	-
	21,104	436,362	(334,884)	(94,882)	27,700

19 Summary of movement in funds (cont'd)

	Opening balance £	Incoming resources £	Resources expended £	Transfers & revaluations £	Closing balance £
Unrestricted funds - Charity					
General	10,464,562	1,507,503	(1,028,971)	145,142	11,088,236
	10,464,562	1,507,503	(1,028,971)	145,142	11,088,236
Restricted funds - Charity					
	Opening balance £	Incoming resources £	Resources expended £	Transfers £	Closing balance £
Gallery	5,682	44,350	(50,032)	-	-
Bird Box	-	2,000	(2,000)	-	-
Buy a Brick	-	680	(680)	-	-
National Lottery					
Heritage Fund					
-Culture Recovery	-			-	-
-Round 1	6,247	132,200	(138,447)	-	-
-Round 2	-	129,000	(129,000)	-	-
Stewardship	-	94,882	-	(94,882)	-
Fundraising Strategy	-	10,000	(4,725)		5,275
Michael Farrington propogating house	2,425	-	-	-	2,425
Historic England	6,750	2,250	(9,000)	-	-
The Medlock Charitable Trust	-	20,000	-	-	20,000
John Townson	-	1,000	(1,000)	-	-
	21,104	436,362	(334,884)	(94,882)	27,700

19 Summary of movement in funds (cont'd)

Prior year - 2020

	Opening balance £	Incoming resources £	Resources expended £	Transfers £	Closing balance £
Unrestricted funds - Group					
General	10,278,433	1,368,553	(1,408,827)	162,481	10,400,640
	10,278,433	1,368,553	(1,408,827)	162,481	10,400,640
Restricted funds - Group					
	Opening balance £	Incoming resources £	Resources expended £	Transfers £	Closing balance £
Gallery	-	58,800	(53,118)	-	5,682
Buy a Brick	-	500	(500)	-	-
National Lottery					
Heritage Fund					
-Heritage Emergency	-	122,000	(122,000)	-	-
-Culture Recovery	-	126,200	(119,953)	-	6,247
Countryside					
Stewardship	-	158,981	-	(158,981)	-
Appeal - Rook Wood	-	550	(550)	-	-
Michael Farrington					
propogating house	1,940	485	-	-	2,425
Historic England	-	6,750	-	-	6,750
The Clark Foundation	-	500	-	(500)	-
Richard Broyd Trust	-	3,000	-	(3,000)	-
	1,940	477,766	(296,121)	(162,481)	21,104

19 Summary of movement in funds (cont'd)

Prior year – 2020

	Opening balance £	Incoming resources £	Resources expended £	Transfers £	Closing balance £
Unrestricted funds - Charity					
General	10,278,433	811,478	(787,830)	162,481	10,464,562
	10,278,433	811,478	(787,830)	162,481	10,464,562
Restricted funds - Charity					
	Opening balance £	Incoming resources £	Resources expended £	Transfers £	Closing balance £
Gallery	-	58,800	(53,118)	-	5,682
Buy a Brick	-	500	(500)	-	-
National Lottery Heritage Fund					
-Heritage Emergency	-	122,000	(122,000)	-	-
-Culture Recovery	-	126,200	(119,953)	-	6,247
Countryside Stewardship	-	158,981	-	(158,981)	-
Appeal - Rook Wood	-	550	(550)	-	-
Michael Farrington propogating house	1,940	485	-	-	2,425
Historic England	-	6,750	-	-	6,750
The Clark Foundation	-	500	-	(500)	-
Richard Broyd Trust	-	3,000	-	(3,000)	-
	1,940	477,766	(296,121)	(162,481)	21,104

General unrestricted funds are available to spend on activities that further the purposes of the charity.

The gallery funding was provided by the Arts Council and Taunton Deane Borough Council to develop the Gallery within Hestercombe House.

The Buy a Brick and Commemorative Trees funds are remembrance funds that were fully spent in the year.

The Culture Recovery Funds are grants from the National Lottery Heritage Fund that are to fund fixed costs to support the charity through the Covid-19 pandemic.

19 Summary of movement in funds (cont'd)

Countryside Stewardship grant was received for the restoration of the water gardens. The project is ongoing at the year end and is capital in nature. The capital costs incurred have therefore been transferred to unrestricted reserves.

The Michael and Madeleine Farrington donations are towards the propagating house project which did not commence before the year end.

The Historic England grant is for the repair of the closet tower roof. This work had not been undertaken during the year so the funds have been carried forward.

The Clark Foundation and Richard Broyd Trust donations were all towards the purchase of some artwork. As the artwork has been purchased and there are no restrictions being placed on the use of the artwork the funds have been transferred to unrestricted funds.

20 Analysis of assets between funds – Group

	Fixed assets £	Cash at bank and in hand £	Other net current liabilities £	Creditors more than one year £	Total £
Unrestricted funds	12,237,820	466,574	(481,050)	(1,161,222)	11,062,122
Restricted funds	-	27,700	-	-	27,700
As At					
31 December 2021	12,237,820	494,274	(481,050)	(1,161,222)	11,089,822

Analysis of assets between funds – Charity

	Fixed assets £	Cash at bank and in hand £	Other net current liabilities £	Creditors more than one year £	Total £
Unrestricted funds	12,237,821	157,799	(146,162)	(1,161,222)	11,088,236
Restricted funds	-	27,700	-	-	27,700
As At					
31 December 2021	12,237,821	185,499	(146,162)	(1,161,222)	11,115,936

Prior year – 2020 – Group and Charity

	Fixed assets	Cash at bank and in hand	Other net current liabilities	Creditors more than one year	Total
	£	£	£	£	£
Unrestricted funds	11,966,639	102,059	(597,709)	(1,070,348)	10,400,640
Restricted funds	-	21,104	-	-	21,104
As At					
31 December 2020	11,966,639	123,163	(597,709)	(1,070,348)	10,421,744

The analysis for the Trust is identical to the Group in 2020 with the exception of the unrestricted funds, where investments represent £1, cash at bank £67,249 and other net current liabilities £498,978.

21 Income and expenditure account of the Trust

The company has taken advantage of Section 408 of the Companies Act and has not included its own Income and Expenditure Account or separate Statement of Financial Activities.

Prior to gift aid amounts received from the subsidiary, Hestercombe Gardens Trust has net ingoing resources for the year of £630,270 (2020: £205,293) based on income of £1,943,865 (2020: £1,289,244).

22 Related party transactions

The charity has taken advantage of the exemption in FRS 102 “Related Party Disclosures” from disclosing transactions with other members of the group.

There were no other related party transactions other than with members of the group (2020: none).

23 Contingent liabilities

The charity is involved in negotiations in respect of a tenanted part of the Trust’s holding in relation to notices and counter notices in place for parcels of land and an ongoing dispute regarding the supply of water. Whilst the trustees would hope to conclude such matters through negotiation it may be that ultimately resolution is only possible through arbitration or the courts. The ultimate outcome will determine the parties’ responsibilities for both their own and the other party’s costs. The trustees have taken legal advice and believe that the charity has a strong case in respect of all the matters and has the prospect of recovering costs already incurred. Given the nature of the matters involved and the range of possible outcomes it is not possible to reliably quantify the likely outcome in terms of timing or of the financial implications.

23 Contingent liabilities (cont'd)

In the event that Hestercombe House is sold prior to November 2023, further charges may be payable, the value of which depends upon the length of time that the asset has been held and expenditure on the asset since completion of the sale, decreasing from £500,000 to £50,000.

The amounts potentially repayable are secured by a legal charge in favour of Somerset County Council.

Grants received from the National Heritage Memorial Fund amounting to £5,931,000 as at 31 December 2018 may become subject to partial repayment in the event grant aided assets are sold. The amounts potentially repayable are secured by a legal charge in favour of the National Heritage Memorial Fund.

HESTERCOMBE GARDENS TRUST LIMITED

England & Wales - Charity number 1060000

Accounts

Hestercombe Gardens Trust
(A Charitable Company Limited by Guarantee)

Annual Report and Financial Statements

For the Year Ended 31 December 2020

Company Number: 03287766
Charity Registered in England and Wales Number: 1060000

Hestercombe Gardens Trust

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Hestercombe Gardens Trust

Reference and Administrative Details

For the Year Ended 31 December 2020

Trustee Directors

David Yiend (Chairman)
Godfrey Davis, FCA
Dr Marion Harney, FHEA
Cllr Marcia Hill
Jo Matthews, MSc
Catherine O'Sullivan, MSc
Catherine Pease, MA (Cantab), AADip, RIBA
Annie Prebensen, BSc, MBA, CFA
Rupert Taylor, BSc Hons, FCCA
Josephine Waley-Cohen

Secretary

Nicholas Francombe LLB

Chief Executive Officer

Philip White MBE

Charity Number

1060000

Company Number

03287766

Principal Address and Registered Office

Hestercombe Gardens
Cheddon Fitzpaine
Taunton
Somerset
TA2 8LG

Auditors

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Hestercombe Gardens Trust
Trustee Directors' Report
For the Year Ended 31 December 2020

The Trustees, who are also directors for the purposes of the Companies Act, present their report and the financial statements of the charity for the year ended 31 December 2020, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

References and Administrative Details

Administrative information is given in a separate section at the front of these accounts.

Directors and Trustees

The directors of the Company are the Charity's trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees serving during the year and since the year end are as follows:

Sir Andrew Burns KCMG	(Resigned 4 December 2020)
David Yiend	(Chairman) (Appointed 24 April 2020)
Godfrey Davis, FCA	
Dr Marion Harney FHEA	
Cllr Marcia Hill	
Jo Matthews, MSc	
Catherine O'Sullivan, MSc	
Catherine Pease, MA (Cantab), AADip, RIBA	
Annie Prebensen, BSc, MBA, CFA	
Rupert Taylor, BSc Hons, FCCA	
Cllr Gemma Verdon, F.Inst.Pa	(Resigned 24 April 2020)
Josephine Waley-Cohen	

None of the Trustees have any beneficial interest in the Company. All of the Trustees are members of the Company and guarantee to contribute £10 in the event of a winding up.

Structure Governance and Management

The Company is governed by its memorandum and articles of association and is limited by guarantee.

The articles of association provide that there must be between seven and eleven trustees; with Taunton Deane Borough Council nominates one trustee. The appointment of replacement trustees is at the discretion of the Company in general meeting.

It is the policy of the Trust to seek to appoint as trustees leaders in their field with a keen interest in the objectives of the Trust and to obtain a balance of skills. All appointments are made in line with Charity Commission guidelines. All newly appointed trustees follow an induction process and there is a programme of ongoing trustee training.

Structure Governance and Management (cont'd)

The Trustees have responsibility for setting the policy for achieving the objectives of the Trust; this is then carried out by the Chief Executive and the executive management team. The commercial activities, including the running of events, functions and weddings, catering and retail activities are carried out through a wholly owned subsidiary, Hestercombe Gardens Limited. The day-to-day management of trading operations is overseen by General Manager Richard Mira who is a director of Hestercombe Gardens Limited. The profits arising from these activities are returned to the Trust in furtherance of its objectives.

In December 2020, Sir Andrew Burns KCMG retired after 16 years as Chairman and Trustee of HGT and was succeeded by David Yiend, previously CEO at AB Foods Agri Division.

The Risk Register is regularly reviewed and updated by both Trustees and the executive management team in line with the strategic plans and ambitions of the Trust.

The Trustees are very conscious of their duty to promote public access to Hestercombe, to manage the heritage assets in a socially inclusive way and to continue to grow Hestercombe into a site of national and international importance and an economic and cultural driver of regional prosperity. Their policy is to remunerate all their staff fairly in accordance with good practice, observing appropriate legislation eg regarding the minimum wage, diversity etc at the same time ensuring the health, safety, and personal advancement of all staff, while operating in a financially prudent and sustainable way.

All Trustees of Hestercombe Gardens Trust serve as volunteers and are unpaid; some claim travel expenses when attending meetings. A Remuneration and Nominations Committee, composed of at least two Trustees, meets twice a year to consider senior executive pay and reports to Trustees at each full meeting of Trustees. Remuneration for the Chief Executive is set by the Committee with advice from the Trust's financial advisor and is benchmarked against comparable roles as far as this is possible.

The remuneration of the four full-time (General Manager, Finance Manager, Head Gardener and Marketing & Communications Manager) and one part-time (Art Director/Curator) senior executive staff is set by the Chief Executive in accordance with their individual contracts and reported to the Remuneration Committee.

Objectives and Activities

The principal objects of the Trust are:

For the education and benefit of the public to:

- (1) reclaim, restore, preserve, enhance and develop the landscape, gardens and buildings of heritage, horticultural or architectural interest associated with Hestercombe; and
- (2) maintain develop enhance and preserve and provide public access to archives databases and collections relating to landscapes, gardens, and buildings of heritage, horticultural or architectural interest; and
- (3) undertake and support educational work and research and provide resources for the public relating to landscapes, gardens, and buildings of heritage, horticultural or architectural interest.

The vision of the charity is for Hestercombe to be a place where creative ideas grow and its mission is to build on our heritage of innovation, culture, creativity and green care by developing our public spaces to generate opportunities for health and happiness for everyone. We connect people to the research, study and enjoyment of arts and the natural environment that is locally rooted with international reach.

Objectives and Activities (cont'd)

2020 started as we hoped to continue; in January 2020 we had 4,860 visitors, the highest number ever for the beginning of the year. The weather in February was not kind and income was below budget but on 29th February we celebrated the 300th anniversary of the birth of Coplestone Warre Bampfylde, designer of Hestercombe's Landscape garden. A formal lunch for eighty guests was followed by the opening of a year-long exhibition celebrating his life, with paintings generously loaned from private collections, the V&A, the Whitworth Art Gallery and the Courtauld Gallery, the centrepiece of which was a magnificent life size equestrian self portrait painted by Bampfylde in 1747 loaned by Andrew Brownsword CBE.

The Trust received its first ever donation from an American foundation towards the cost of exhibiting the Bampfylde painting and a generous donor acquired, on Hestercombe's behalf, one of only four known portraits of Bampfylde when it came up for sale in March, in San Francisco.

House and Wider Estate

Three weeks after the exhibition opened, on 22nd March, the House and gardens closed and the following day the country went into lockdown as a consequence of the COVID-19 pandemic. Of the 63 staff on Hestercombe's books 55 were immediately placed on furlough leaving a skeleton staff of eight, including just two gardeners to manage the 50 acres of historic gardens.

Preliminary work to clear the area of the C17th Water garden, the first stage in its restoration, was halted as contractors left the site. Undaunted, Hestercombe's architects were commissioned to produce a Masterplan for the estate as part of our planning for the future restoration and development of the 220 acre Hestercombe Farm acquired with the support of the National Heritage Memorial Fund in September 2018. An application for planning permission to develop Hestercombe House had been submitted in September 2019 and negotiations continued throughout the first half of 2020 with statutory consultees, Historic England.

Ash dieback was first noticed in July in the gardens, which inevitably led to five trees being felled later in the year. Ash trees comprise a significant proportion of Hestercombe's 90 acres of woodland and this is likely to be a continuing problem.

During lockdown the first of several tranches of subscription renewal letters were sent to members of Hestercombe as we endeavoured to maintain the loyalty of our supporters and the valuable income that they provided. Hestercombe's members proved to be remarkably resilient and less than 10% failed to renew.

Weddings, of which 33 had been booked in 2020, form an important constituent of Hestercombe's trading income but by now had all been cancelled, with many couples re-booking for 2021.

During this period every aspect of the business was examined in detail to try to identify efficiencies and potential cost reductions. This eventually led to five full time and two part time members of staff being made redundant. We received a significant boost from a successful bid to the National Lottery Heritage Fund when the Trust received £122,000 in emergency funding.

At the beginning of September we were able to open the House and Gallery once more and the Bampfylde Hall was repurposed as a restaurant with, for the first time, full table service. The waiting staff were supported by the latest technology of tablets and QR codes enabling direct contact with the kitchen and chefs.

As part of efforts to secure Hestercombe's financial security discussions with Somerset County Council are progressing well to relieve the charity of its long term £340,000 loan in exchange for providing a range of social benefits to the local community including free school visits. As further funding became available the Trust applied once more to the National Heritage Lottery Fund for a Culture Recovery Grant of £258,400 to cover core costs between October 2020 and April 2021. Our application was successful and the first payment, comprising 49% of the funding, was made in November; the second payment being received in March 2021. Talks also continued throughout the year with Somerset West and Taunton Council on the settlement of an £80,000 development loan; and discussions, as at April 2021, are still on-going.

On 14th October a tiering system to aid the control of COVID-19 was introduced. Somerset, and therefore Hestercombe, was placed in Tier 1; this was increased to Tier 2 between 2nd-25th December; and Tier 3 from 26th-30th December when the site had to revert to take-away food only.

Tier 4, when all seating had to be removed, was introduced on 31st December and on the 5th January 2021 the country went once more into full lockdown, following which the gardens were not able to open again until 17th March.

In this context, and alongside the need to anticipate the 'post-COVID' landscape and the succession of David Yiend to Sir Andrew Burns as chair of trustees, it is appropriate that the executive and trustees review HGT's strategy. This will be completed in the first half of 2021.

Achievements and Performance

As the review of 2020 alludes, much of our focus this year was on short-term operational issues: ensuring the safety and wellbeing of our staff, volunteers and visitors to Hestercombe; as well as very practical financial challenges linked to both the enforced closure of Hestercombe as well as radically different operating conditions. In this context, progress against longer term strategic ambitions and goals was inevitably limited.

Much of our long-term, strategic ambition came together in Growing Hestercombe's Communities, the £4.9m application to the National Lottery Heritage Fund (NLHF) that was made in the summer of 2019 and was, unfortunately, unsuccessful. Central to our 2020 plans had been a review of the approach set out in Growing Hestercombe's Communities, taking into account feedback from NLHF, with the aim of resubmitting a bid. Understandably little progress against this goal was made in 2020.

Following the 2019 award of a Countryside Stewardship grant of £310,000 from Rural Payments Agency, we have made substantial progress on the restoration of the Water garden, a key component of the historic landscape and central to our strategic objective of restoring the estate.

We are hopeful that discussions with Somerset County Council to relieve us of our loan will be successful and, if so, should be formalised by mid 2021. This, supports our strategic objectives to reduce borrowing as well as supporting the Trust's commitment to provide public benefit through increased access, outreach and education.

Despite all the tribulations of the pandemic Hestercombe still managed a total of 50,479 visitors in 2020 compared with the all-time high of 83,667 in 2019. Members also showed continuing confidence with 4,361 paid up memberships at the end of the year, a drop of 12% from the same time in 2019 but much less than might have been expected. Gift Aid, an important component of the Trust's income, was considerably down, undoubtedly a by-product of visitors having to book and pay online.

Public Benefit and Engagement

Throughout most of 2020 the gardens were maintained by only two gardeners but Hestercombe was able to reopen on 10th June, providing take-away food only, although the House remained closed. Enthusiasm was such that the gardens received 4,000 visitors in the first 15 days even though, in order to manage staff costs, they were only open for five days a week; day tickets were limited and only available on a pre-booked timed basis. A combination of a feature on BBC Gardeners' World and a healthy appetite for visiting gardens following three months of lockdown led, in June, to a 300% increase in visits to the website compared to June 2019, up from 53,000 to 161,000.

2020's programme of exhibitions and events had to change due to the Covid-19 pandemic. This meant postponing some of the programme, but it also gave us the opportunity to build a revised programme of work with artists outdoors. We were able to open and extend the exhibition Most Admirably Improved by Art, including artists Charlotte Hodes, Rebecca Partridge, Kelly Richardson, Fiona Hingston together with C.W. Bampfylde.

In June we hosted Sir Richard Long, the renowned sculptor, for two days when he created a remarkable work, Jackdaw Line, in the Landscape garden, with another 7 outdoor commissions by artists John England, Philippa Lawrence, Sarah Bennett, Lucy Soni, Jo Lathwood, Megan Calver, and Gabriele Hode which were all installed by early September. Gallery talks and seminars went online.

The archival show based on C.W. Bampfylde's tercentenary has been extended and will continue throughout 2021.

Financial Review

In common with all similar enterprises the Trust suffered a substantial loss of revenues as a result of the Covid pandemic in 2020. The gardens were closed to visitors for extensive periods and all trading income sources were severely reduced. Total revenues amounted to £1.846m down from £2.149m in 2019 and the Trust was heavily indebted to the National Heritage Lottery Fund, the government's business support grants, Job retention Scheme, Arts Council, Countryside Stewardship scheme and other grants and donations which altogether made up £818K of the total income:

National Lottery Heritage Fund	£248,200
Arts Council	£28,875
Countryside Stewardship	£158,981
Other Grants and Donations	£43,988
Job Retention Scheme Grants	£251,987
Other Covid Business support Grants	£64,275
Donations and Legacies	£22,625
Total	£818,931

Visitor numbers inevitably dropped, and admissions income was almost 40% lower than in 2019 at £202k. Membership income from the Friends of Hestercombe actually increased by nearly £20k to £287k and the Trust is indebted to members for their support at this difficult time.

Trading income dropped from £1.384m to just £539k and the trading subsidiary made the first loss in its history as a result. Forward bookings for weddings and a resumption of a more normal trading environment are forecasted to return the trading company to profitability, so that it can once again contribute to the cost of the Trust's charitable activities.

The lack of income from trading forced many difficult decisions upon the Trust and as a result, most unfortunately, 5 full time and 2 part time staff were made redundant during the year. Costs were cut across all expense headings, and all but the most essential were either cancelled or deferred. Overall, the Trust spent £648k on its trading activities (2019 £1.020m) and £1.057m on its charitable activities (2019 £1.238m).

The Trust as a whole reported a surplus for the year of £141k (2019 £(108k)) but despite this the cash flow for the year was negative £33k when taking into account working capital movements, interest and repayments on loans and capital expenditure.

The Trust's balance sheet now records total assets of £10.422m (2019 £10.280m) reflecting the investment across the years in its heritage assets

Reserves policy

The current reserves policy reflects the long term nature of the charity and the investment that has needed to be made to protect it. Long term aspirations and potential income generation has been put before the building up of unrestricted reserves in the short term. The result of this is that there is a deficit in freely available reserves (unrestricted reserves less fixed assets net of long term debt) of £475k (2019: £399k) at the year end.

Auditors

The auditors, Albert Goodman LLP, are deemed to be re-appointed under Section 487(2) of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Statement of trustees' responsibilities

The Trustees (who are directors of the Hestercombe Gardens Trust Limited for the purposes of company law) are responsible for preparing the Trustee Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standard have been followed, subject to any material departures disclosed and explained in the financial statements; and

Hestercombe Gardens Trust

Trustee Directors' Report

For the Year Ended 31 December 2020

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that 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. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure to our auditors

In so far as the Trustees are aware at the time of approving our Trustees' annual report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report of which the group's auditor is unaware; and
- The trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all the steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of the information.

By order of the Trustees.

Cllr Marcia Hill
Trustee
Hestercombe Gardens Trust

16 July 2021

Hestercombe Gardens Trust

Independent Auditors' Report to the Trustees and Members For the Year Ended 31 December 2020

Opinion

We have audited the financial statements of Hestercombe Gardens Trust (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2020, which comprise the consolidated Statement of Financial Activities, the consolidated and parent charitable company Balance Sheets, the consolidated and parent charitable company Statement of Cash Flows, 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 Generally Accepted Accounting Practice, including Financial Reporting Standard 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 December 2020 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;

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 trustee's 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 society's ability to continue as a going concern for a period of at least twelve months from the original financial statements were authorised for use.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

Hestercombe Gardens Trust

Independent Auditors' Report to the Trustees and Members For the Year Ended 31 December 2020

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.

Opinion 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 have 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' Report.

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

- adequate 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 company 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 prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities (set out on page 8), the trustees (who are also the directors of the parent charitable company for the purposes of company law) are 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 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 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 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

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:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- 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;
- we identified the laws and regulations applicable to the company through discussions with trustees and other management, and from our commercial knowledge and experience of the heritage charity and hospitality sectors;
- 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 company, including the Companies Act 2006, Charities Act 2011, data protection, anti-bribery, employment, environmental, Food hygiene legislation and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Hestercombe Gardens Trust

Independent Auditors' Report to the Trustees and Members

For the Year Ended 31 December 2020

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators including the Health and Safety Executive, and the group's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Use of our report

This report is made solely to the group and parent 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 group and parent 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 group and parent charitable company and the group and parent charitable company's members as a body and the parent charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Hake FCCA (Senior Statutory Auditor)
for and on behalf of Albert Goodman LLP, Statutory Auditor

Goodwood House
Blackbrook Park Avenue
Taunton
TA1 2PX

22 July 2021

Hestercombe Gardens Trust

Consolidated Statement of Financial Activities (including an Income & Expenditure account)

For the Year Ended 31 December 2020

				2020			2019
		Unres-	Res-	Total	Unres-	Res-	Total
	Notes	tricted	tricted		tricted	tricted	
		£	£	£	£	£	£
Income from:							
Grants, donations and legacies	2	341,165	477,766	818,931	55,655	111,491	167,146
Charitable activities	3	488,219	-	488,219	598,045	-	598,045
Other trading activities	4	539,167	-	539,167	1,384,005	-	1,384,005
Investments	5	2	-	2	5	-	5
Total income		1,368,553	477,766	1,846,319	2,037,710	111,491	2,149,201
Expenditure on:							
Trading costs	6	648,079	-	648,079	1,019,788	-	1,019,788
Charitable activities	6	760,748	296,121	1,056,869	1,165,056	72,553	1,237,609
Total expenditure		1,408,827	296,121	1,704,948	2,184,844	72,553	2,257,397
Net income/(expenditure) for the year		(40,274)	181,645	141,371	(147,134)	38,938	(108,196)
Transfer between funds	20	162,481	(162,481)	-	57,340	(57,340)	-
Net movement in funds for the year		122,207	19,164	141,371	(89,794)	(18,402)	(108,196)
Reconciliation of funds							
Total funds brought forward		10,278,433	1,940	10,280,373	10,368,227	20,342	10,388,569
Total funds carried forward		10,400,640	21,104	10,421,744	10,278,433	1,940	10,280,373

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

All income and expenditure derive from continuing activities.

Hestercombe Gardens Trust – Company Registration Number: 03287766
Balance Sheet and Consolidated Balance Sheet
As at 31 December 2020

		2020		2019	
		£	£	£	£
	Notes	Group	Charity	Group	Charity
Fixed assets					
Tangible fixed assets	11	342,847	342,847	381,143	381,143
Heritage assets	12	10,658,523	10,658,523	10,729,410	10,729,410
Investment property	13	965,268	965,268	698,268	698,268
Investments	14	-	1	-	1
		<u>11,966,638</u>	<u>11,966,639</u>	<u>11,808,821</u>	<u>11,808,822</u>
Current assets					
Stock	15	41,029	-	52,405	928
Debtors	16	178,516	191,649	143,118	128,444
Cash at bank and in hand		123,163	88,353	62,315	16,066
		<u>342,708</u>	<u>280,002</u>	<u>257,838</u>	<u>145,438</u>
Liabilities:					
Creditors: amounts falling due within one year	17	(817,254)	(690,627)	(654,758)	(542,359)
Net current liabilities		<u>(474,546)</u>	<u>(410,625)</u>	<u>(396,920)</u>	<u>(396,921)</u>
Amounts falling due after more than one year	18	(1,070,348)	(1,070,348)	(1,131,528)	(1,131,528)
Total net assets		<u>10,421,744</u>	<u>10,485,666</u>	<u>10,280,373</u>	<u>10,280,373</u>
The funds of the charity:					
Unrestricted funds:					
General funds	20	10,400,640	10,464,562	10,278,433	10,278,433
Restricted funds	20	21,104	21,104	1,940	1,940
Total charity funds		<u>10,421,744</u>	<u>10,485,666</u>	<u>10,280,373</u>	<u>10,280,373</u>

Hestercombe Gardens Trust – Company Registration Number: 03287766

Balance Sheet and Consolidated Balance Sheet

As at 31 December 2020

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared and delivered in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes on pages 18 – 39 form part of these accounts.

Approved by the Board on 16 July 2021 and signed on their behalf by:

David Yiend
Trustee

Hestercombe Gardens Trust**Statement of Cash Flows and Consolidated Statement of Cash Flows**

For the Year Ended 31 December 2020

	Notes	2020		2019	
		£	£	£	£
		Group	Charity	Group	Charity
Cash flows from operating activities					
Net income/(expenditure) for the year		141,371	205,293	(108,196)	(108,196)
Adjustments to cash flows from non-cash items:					
Depreciation and amortisation	11	73,893	73,893	67,919	67,919
Finance Income	5	(2)	(2)	(5)	(5)
Finance expense		46,379	46,379	35,051	35,051
		<u>261,641</u>	<u>325,563</u>	<u>(5,231)</u>	<u>(5,231)</u>
Working capital adjustments					
Decrease/(increase) in stocks	13	11,376	928	(2,601)	-
(Increase)/decrease in debtors	14	(35,398)	(63,205)	(2,290)	65,661
Increase in creditors	15	25,556	11,328	40,358	216
		<u>263,175</u>	<u>274,614</u>	<u>30,236</u>	<u>60,646</u>
Cash flows from investing activities					
Purchase of tangible fixed assets	11	(35,597)	(35,597)	(74,031)	(74,031)
Purchase of heritage assets	12	(179,347)	(179,347)	(48,823)	(48,823)
Purchase of investment property	13	(16,766)	(16,766)	(13,716)	(13,716)
Interest received	5	2	2	5	5
		<u>(231,708)</u>	<u>(231,708)</u>	<u>(136,565)</u>	<u>(136,565)</u>
Cash flows from financing activities					
Interest paid	7	(46,379)	(46,379)	(35,051)	(35,051)
Repayment of loans and hire purchase	18	(18,194)	(18,194)	(40,455)	(40,455)
		<u>(64,573)</u>	<u>(64,573)</u>	<u>(75,506)</u>	<u>(75,506)</u>
Net decrease in cash and cash equivalents		<u>(33,106)</u>	<u>(21,667)</u>	<u>(181,835)</u>	<u>(151,425)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>(86,587)</u>	<u>(132,836)</u>	<u>95,248</u>	<u>18,589</u>
Cash and cash equivalents at the end of the reporting period		<u>(119,693)</u>	<u>(154,503)</u>	<u>(86,587)</u>	<u>(132,836)</u>
Cash & Cash equivalents reconciliation:					
Cash at bank		<u>(119,693)</u>	<u>(154,503)</u>	<u>(86,587)</u>	<u>(132,836)</u>
Total cash & cash equivalents at the end of the reporting period		<u>(119,693)</u>	<u>(154,503)</u>	<u>(86,587)</u>	<u>(132,836)</u>
Analysis of cash and cash Equivalents					
Cash in hand		123,163	88,353	62,315	16,066
Overdraft facility repayable on demand		<u>(242,856)</u>	<u>(242,856)</u>	<u>(148,902)</u>	<u>(148,902)</u>
Total cash & cash equivalents at the end of the reporting period		<u>(119,693)</u>	<u>(154,503)</u>	<u>(86,587)</u>	<u>(132,836)</u>

1 Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are as follows:

1.1 Basis of accounting

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) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Hestercombe Gardens Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s) and all amounts are presented in £ sterling.

These financial statements consolidate the results of the Charity and its wholly owned subsidiary, Hestercombe Gardens Limited, on a line by line basis. The "Group" heading within the balance sheet refers to the consolidated accounts of the Hestercombe Gardens Trust Limited and Hestercombe Gardens Limited.

In the parent company financial statements the investment in the trading subsidiary is accounted for at cost less impairment.

A separate Statement of Financial Activities or income and expenditure account, for the Charity itself has not been presented because the Charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006.

Going concern

As set out in the Trustees' report, since the year end the Trust's operations have been significantly impacted by the Covid-19 global pandemic in 2020.

All activities bar essential maintenance ceased from the start of lockdown in March 2020 until the gardens re-opened on a limited basis, with appropriate social distancing measures, in June. The Trust made use of the government furlough scheme and undertook significant and appropriate cost reductions to mitigate the impact of lost revenue. The Trust is indebted to the National Lottery Heritage Fund for the support it received both from its emergency and culture recovery funds as these, together with government business support grants, have enabled the Trust to continue to pursue its objectives and look to the future with confidence.

The Trustees have reviewed management accounts for 2021 and budgets for 2021 and 2022 with appropriate stress testing and consideration of available working capital. Having done so the Trustees are satisfied that the Trust continues to be a going concern and hence the going concern basis of accounting adopted in these accounts is appropriate.

1.2 Legal status of the Trust

The Trust is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

The company is incorporated in England and Wales and the company registered office is detailed on page 1, reference and administration details.

1.3 Income

Income from grants and donations is recognised in the year in which they are receivable when there is evidence of entitlement, receipt is probable and the amount can be reliably measured. Where income has not been received for gift aid claims relating to donations received in the year, income is accrued.

Income from grants and government grants, where 'capital' or 'revenue', is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Where no conditions are attached to grant income they are recognised within grants, donations and legacies and where conditions relating to performance of services are attached, grant income is recognised income from charitable activities within the Statement of Financial Activities.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income from charitable activities includes membership and admissions income. Membership income is accounted for in full in the year that the membership commences. Admission income is recognised on a cash basis, in the year the income is physically received.

Income from other trading activities is included in the period in which the group is entitled to receipt, it is probable that economic benefits will flow to the entity and the amount can be reliably measured.

1.4 Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1.5 Expenditure

Resources expended are recognised on the accruals basis to match the period in which the expenditure was incurred.

Raising funds is expenditure incurred in generating the trading subsidiary funds and from trading activities carried out by the trust relating to Hestercombe House activities.

Charitable activity expenditure comprises costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and costs of an indirect nature necessary to support them. Support costs include finance, administration, governance and CEO costs and are allocated to the trust charitable services equally.

1.6 Operating leases

The Trust classifies the lease of property as operating leases as title remains with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

1.7 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Trust.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Trust's work or for specific artistic projects being undertaken by the Trust.

1.8 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Tangible fixed assets are normally capitalised where the value of an asset or group of related assets exceeds £500. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life as follows:

Plant and equipment	3, 5, 10, 20 or 25 years straight line
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1.9 Heritage assets

Heritage assets are held in pursuit of overall objectives in relation to the enjoyment and preservation of heritage. Land, buildings and artwork are recognised at cost or, where donated, at the prevailing current market value at the time of donation. In the opinion of the Trustees the heritage assets have a residual value in excess of cost and therefore no depreciation is charged in the accounts, however they are reviewed annually for impairment with any such impairment passing through the SOFA. Expenditure that is required to preserve or prevent further deterioration of heritage assets is recognised in the SOFA as it is incurred.

1.10 Investment properties

Investment properties are initially measured at cost and subsequently at fair value at the reporting date, with all gains and losses passing through the SOFA.

1.11 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.12 Stock

Stock consists of shop stock for resale, ingredients for the tea room and publication stocks. Stock is valued at the lower of cost and net realisable value, after making allowances for obsolete and slow moving stock.

1.13 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.14 Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

1.15 Defined contribution pension

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as staff pension expense through the profit and loss when they are due.

1.16 Taxation

As a registered charity, the company is not liable to corporation tax or capital gains tax to the extent that its income and gains are applicable to charitable purposes only. Value Added Tax is recoverable by the company, and is therefore excluded within the relevant costs in the Statement of Financial Activities. The charity subsidiary is also able to recover Value Added Tax and is therefore excluded within the relevant costs in the Statement of Financial Activities

1.17 Financial instruments

The charity only holds basic financial instruments as defined by FRS 102. The financial assets and financial liabilities of the charitable company are as follows;

Financial assets – trade and other debtors, accrued income, amounts owed by group undertakings and other debtors are basic financial instruments, and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank – classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, amounts owed to group undertakings, bank loans, accrued expenses and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

1.18 Concessionary loan

The Trust obtained a concessionary loan in a previous year to further its charitable aims free of interest. The loan is initially recognised at transactions value and subsequently measured to reflect the repayments and if necessary any impairments. The loan is recognised in the balance sheet within creditors less than one year and creditors more than one year as 'other loans' in line with the repayment term of the loan.

1.19 Finance lease

The Trust classifies the lease of equipment as a finance lease as substantially all the risks and rewards are retained by the Trust. The equipment is recognised as an asset and the finance loan recognised as a liability in the balance sheet. Payments made under finance leases are charged to the liability in the balance sheet.

2 Grants, donations and legacies

	Unres- tricted funds £	Res- tricted funds £	2020 Total £	Unres- tricted funds £	Res- tricted funds £	2019 Total £
Grants						
National Lottery	-	248,200	248,200	-	9,109	9,109
Heritage Fund						
National Heritage	-	-	-	-	18,113	18,113
Memorial Fund						
Arts Council	-	28,875	28,875	-	32,440	32,440
Countryside Stewardship		158,981	158,981			
Leader grant	-	-	-	-	16,960	49,600
Appeal - HOTSW						
Interpretation	-	-	-		17,267	17,267
Other grants	7,313	36,675	43,988	-	11,000	11,000
Exceptional government funding						
Coronavirus JRS grant	251,987	-	251,987	-	-	-
Other Covid grants	64,275	-	64,275	-	-	-
	323,575	472,731	796,306	-	104,889	137,529
Donations and legacies	17,590	5,035	22,625	55,655	6,602	62,257
	341,165	477,766	818,931	55,655	111,491	199,786

The group has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under “exceptional government funding”.

The group furloughed some of its staff under the governments CJRS. The funding received of £251,987 relates to staff costs which are included within note 9 as appropriate.

3 Charitable activities

	Unres- tricted funds £	Res- tricted funds £	2020 Total £	Unres- tricted funds £	Res- tricted funds £	2019 Total £
Friends of Hestercombe subscriptions	286,570	-	286,570	267,271	-	267,271
Admissions	201,649	-	201,649	330,774	-	330,774
	488,219	-	488,219	598,045	-	598,045

4 Other trading activities

	Unres- tricted funds £	Res- tricted funds £	2020 Total £	Unres- tricted funds £	Res- tricted funds £	2019 Total £
Shop sales	59,367	-	59,367	144,967	-	144,967
Café sales	246,429	-	246,429	515,150	-	515,150
Column room sales	12,689	-	12,689	88,873	-	88,873
Function and events income	48,817	-	48,817	441,640	-	441,640
Property income	13,960	-	13,960	17,400	-	17,400
Education income	23,764	-	23,764	10,258	-	10,258
Other income	34,422	-	34,422	39,544	-	39,544
Rental income	8,167	-	8,167	12,000	-	12,000
Hestercombe House income	91,552	-	91,552	114,173	-	114,173
	539,167	-	539,167	1,384,005	-	1,384,005

5 Investment income

	Unres- tricted funds £	Res- tricted funds £	2020 Total £	Unres- tricted funds £	Res- tricted funds £	2019 Total £
Bank interest	2	-	2	5	-	5

6 Expenditure

Expenditure on raising funds

	Staff costs £	Other direct costs £	2020 Total £	Staff costs £	Other direct costs £	2019 Total £
Trading costs	485,284	162,795	648,079	573,632	446,156	1,019,788
	485,284	162,795	648,079	573,632	446,156	1,019,788

Charitable activities

	Staff costs £	Other direct costs £	2020 Total £	Staff costs £	Other direct costs £	2019 Total £
Visitor centre management & marketing	112,226	148,817	261,043	125,188	229,257	354,445
Restoration / maintenance of Gardens	207,950	136,624	344,574	243,012	159,611	402,623
Support costs	185,194	176,632	361,826	186,660	154,965	341,625
Hestercombe House expenses	27,223	62,203	89,426	39,420	99,496	138,916
	532,593	524,276	1,056,869	594,280	643,329	1,237,609

7 Net income/(expenditure) for the year

This is stated after charging:

	Charity		Subsidiary		Total	
	2020	2019	2020	2019	2020	2019
	£	£	£	£	£	£
Depreciation of owned assets						
- Plant and equipment	73,893	67,919	-	-	73,893	67,919
Interest payable	46,379	35,051	-	-	46,379	35,051
Auditors' remuneration for:						
Audit services	4,500	4,100	1,500	1,100	6,000	5,200
Accounting services	4,563	2,750	1,013	813	5,576	3,563

8 Trustee directors

The charity trustees were not paid or received any other benefits from employment with the Trust or its subsidiary in the year (2019: £nil). There were no reimbursed expenses paid (2019: £nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2020	2019
Management	2	1
Finance and admin	12	13
Gardens	9	8
Shop and ticket office	12	12
Catering	21	28
	56	62

Employment costs	2020 £	2019 £
Wages and salaries	936,346	1,037,875
Social security costs	56,274	76,612
Other pension costs	25,257	26,659
	<u>1,017,877</u>	<u>1,141,146</u>

During the year, total costs of £14,980 were paid in respect of seven employee redundancies (2019:Nil). The amounts were full and final with no outstanding amounts due at the balance sheet date.

The number of employees whose annual emoluments were £60,000 or more were:

	2020 number	2019 number
£80,000 - £90,000	<u>1</u>	<u>1</u>

The key management personnel of the group comprise those of the Trust and the key management personnel of its wholly owned subsidiary Hestercombe Gardens Limited. The key management personnel of the group comprise the directors and the Chief Executive Officer. The total employee benefits, including employer NI and employer pension contribution, of the key management personnel of the Trust were £164,055 (2019: £167,461).

10 Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £25,257 (2019 - £26,659).

Contributions totalling £2,650 (2019 - £3,352) were payable to the scheme at the end of the year and are included in other creditors.

11 Tangible fixed assets

Group	Plant & Equipment £	Total £
Cost		
At 1 January 2020	859,513	859,513
Additions	35,597	35,597
At 31 December 2020	895,110	895,110
Depreciation		
At 1 January 2020	478,370	478,370
Charge for the year	73,893	73,893
At 31 December 2020	552,263	552,263
Net book value		
At 31 December 2020	342,847	342,847
At 1 January 2020	381,143	381,143

The above assets are all held by the charity.

12 Heritage assets

	Artwork	Freehold Land and Buildings	Total
	£	£	£
Cost			
At 1 January 2020	54,048	10,675,362	10,729,410
Transfer to investment property	-	(250,234)	(250,234)
Additions	12,495	166,852	179,347
	<u>66,543</u>	<u>10,591,980</u>	<u>10,658,523</u>
At 31 December 2020	<u>66,543</u>	<u>10,591,980</u>	<u>10,658,523</u>
Summary of heritage asset transactions	2020	2019	2018
Purchases and transfers			
Artwork	12,495	7,748	46,300
Freehold land and buildings	166,852	41,075	10,634,287
	<u>179,347</u>	<u>48,823</u>	<u>10,680,587</u>
Transfers out			
Artwork	-	-	-
Freehold land and buildings	250,234	-	-
	<u>250,234</u>	<u>-</u>	<u>-</u>
Total reductions	<u>250,234</u>	<u>-</u>	<u>-</u>

Land and buildings relate to the Hestercombe estate which consists of the formal gardens and properties as well as a farm. The properties and gardens are managed and maintained by the estate manager with a team of gardeners and maintenance staff and volunteers. Under the guidance of the management team they perform work that ensures the gardens are true to the original vision.

Artwork consists of paintings that are linked to the estate and are held for public display. The paintings are assessed when purchased and any required restoration work performed at that time.

13 Investment property

	Investment property
As at 1 January 2020	698,268
Additions	16,766
Transfer	250,234
At 31 December 2020	965,268

The Trustees consider the value in the accounts represents the open market value of the properties at the year end.

14 Investments

	Charity	
	Total 2020	Total 2019
	£	£
Hestercombe Gardens Limited		
Ordinary shares of £1 each	1	1

Hestercombe Gardens Limited (company no 04732755) was incorporated on 13 April 2003 as a wholly owned trading subsidiary of Hestercombe Gardens Trust. The parent charity holds 100% of the issued share capital and 100% of the voting rights of the subsidiary trading company.

The principal activities of the company are the operation of a retail outlet and a café at Hestercombe Gardens and the hosting of events, private functions and conferences.

The registered office is the same as that of the Trust, detailed on page 1.

The subsidiary donates any taxable profits to Hestercombe Gardens Trust, and files audited accounts with the Registrar of Companies.

A summary of the trading results is shown below:

	2020	2019
	£	£
Turnover	375,468	1,202,630
Cost of sales	(605,978)	(929,530)
Gross profit	(230,510)	273,100
Administrative expenses	(88,277)	(267,666)
Other operating income	254,865	-
Operating profit and profit before tax	(63,922)	5,434
Gift aid to Hestercombe Gardens Trust	-	(5,434)
Retained in subsidiary	-	-
The assets and liabilities were:		
Current assets	182,244	195,023
Current liabilities	(246,165)	(195,022)
Total net assets	(63,921)	1
Called up share capital	1	1
	1	1

15 Stocks

	Group	2020	Group	2019
	£	Charity	£	Charity
		£		£
Goods for resale	41,029	-	52,405	928

16 Debtors

	Group	2020	Group	2019
	£	Charity	£	Charity
		£		£
Trade debtors	25,057	18,408	20,866	7,152
Prepayments and accrued income	153,459	148,457	122,252	118,103
VAT	-	24,784	-	3,189
	178,516	191,649	143,118	128,444

17 Creditors: Amounts falling due within one year

	2020		2019	
	Group	Charity	Group	Charity
	£	£	£	£
Trade creditors	99,767	89,303	129,010	97,179
Other creditors and deferred income	208,851	50,311	132,812	50,997
Accruals	66,002	44,999	50,885	39,422
Bank loans	18,965	18,965	25,662	25,662
Bank overdrafts	242,856	242,856	148,902	148,902
Taxation and social security	40,575	9,201	76,932	10,208
Amounts owed to group undertakings	-	94,754	-	79,434
Other loans	134,410	134,410	85,056	85,056
Hire Purchase	5,828	5,828	5,499	5,499
	<u>817,254</u>	<u>690,627</u>	<u>654,758</u>	<u>542,359</u>

Deferred Income

	2020		2019	
	Group	Charity	Group	Charity
	£	£	£	£
Deferred income at 1 January 2020	125,718	46,289	118,764	43,963
Released from previous years	(115,298)	(35,869)	(107,270)	(32,469)
Resources deferred in the year	<u>194,211</u>	<u>37,348</u>	<u>114,224</u>	<u>34,795</u>
Deferred Income at 31 December 2020	<u>204,631</u>	<u>47,768</u>	<u>125,718</u>	<u>46,289</u>

At the balance sheet date the trust was holding funds received in advance from venue hire and rental and memberships received in advance.

The hire purchase liability is secured over the asset to which it relates.

18 Creditors: Amounts falling due in more than one year

	2020		2019	
	Group	Charity	Group	Charity
	£	£	£	£
Bank loans	115,325	115,325	112,821	112,821
Other loans	250,508	250,508	285,385	285,385
Hire purchase	7,777	7,777	13,607	13,607
Bank loans > 5 years	663,912	663,912	667,056	667,056
Other loans > 5 years	32,826	32,826	52,659	52,659
	1,070,348	1,070,348	1,131,528	1,131,528

There are two bank loans due in more than 5 years which are repayable over a 25 year term, ending in July 2043 and over a 20 year term ending in September 2039. Interest on these loans are variable at the Royal Bank of Scotland plc base rate + 3.0%. The 20 year term bank loan was received during 2018 to fund the purchase of an investment property.

The Trust has created a fixed legal charge over the freehold properties of Hestercombe Gardens Trust and a debenture has been created in favour of the bank to secure bank borrowings of £512,273 at the year end (2019 - £515,993).

The other loan due in more than 5 years is a loan, taken out in 2018, is to repaid over 10 years with a fixed rate of interest of 2.75%.

19 Contingent liabilities

In the event that Hestercombe House is sold prior to November 2023, further charges may be payable, the value of which depends upon the length of time that the asset has been held and expenditure on the asset since completion of the sale, decreasing from £500,000 to £50,000.

The amounts potentially repayable are secured by a legal charge in favour of Somerset County Council.

Grants received from the National Heritage Memorial Fund amounting to £5,931,000 as at 31 December 2018 may become subject to partial repayment in the event grant aided assets are sold. The amounts potentially repayable are secured by a legal charge in favour of the National Heritage Memorial Fund.

20 Summary of movement in funds

	Opening balance £	Incoming resources £	Resources expended £	Transfers & reversal of depreciation £	Closing balance £
Unrestricted funds - Group					
General	10,278,433	1,368,553	(1,408,827)	162,481	10,400,640
	10,278,433	1,368,553	(1,408,827)	162,481	10,400,640
Restricted funds - Group					
	Opening balance £	Incoming resources £	Resources expended £	Transfers £	Closing balance £
Gallery	-	58,800	(53,118)	-	5,682
Buy a Brick	-	500	(500)	-	-
National Lottery Heritage Fund	-	122,000	(122,000)	-	-
-Heritage Emergency	-	126,200	(119,953)	-	6,247
-Culture Recovery	-	158,981	-	(158,981)	-
Countryside Stewardship	-	550	(550)	-	-
Appeal - Rook Wood	-	485	-	-	2,425
Michael Farrington propogating house	1,940	6,750	-	-	6,750
Historic England	-	500	-	(500)	-
The Clark Foundation	-	3,000	-	(3,000)	-
Richard Broyd Trust	-				
	1,940	477,766	(296,121)	(162,481)	21,104

20 Summary of movement in funds (cont'd)

	Opening balance £	Incoming resources £	Resources expended £	Transfers & reversal of depreciation £	Closing balance £
Unrestricted funds - Charity					
General	10,278,433	811,478	(787,830)	162,481	10,464,562
	10,278,433	811,478	(787,830)	162,481	10,464,562

	Opening balance £	Incoming resources £	Resources expended £	Transfers £	Closing balance £
Restricted funds - Charity					
Gallery	-	58,800	(53,118)	-	5,682
Buy a Brick	-	500	(500)	-	-
National Lottery					
Heritage Fund					
-Heritage Emergency	-	122,000	(122,000)	-	-
-Culture Recovery	-	126,200	(119,953)	-	6,247
Countryside					
Stewardship	-	158,981	-	(158,981)	-
Appeal - Rook Wood	-	550	(550)	-	-
Michael Farrington					
propogating house	1,940	485	-	-	2,425
Historic England	-	6,750	-	-	6,750
The Clark Foundation	-	500	-	(500)	-
Richard Broyd Trust	-	3,000	-	(3,000)	-
	1,940	477,766	(296,121)	(162,481)	21,104

20 Summary of movement in funds (cont'd)

Prior year - 2019

	Opening balance £	Incoming resources £	Resources expended £	Transfers £	Closing balance £
Unrestricted funds - Group and Charity					
General	10,368,227	2,037,710	(2,184,844)	57,340	10,278,433
	10,368,227	2,037,710	(2,184,844)	57,340	10,278,433

	Opening balance £	Incoming resources £	Resources expended £	Transfers £	Closing balance £
Restricted funds - Group and Charity					
Gallery	-	43,440	(43,440)	-	-
Buy a Brick	-	1,100	(1,100)	-	-
Heritage Lottery Fund - Parks and Gardens	15,342	9,109	(24,451)	-	-
The Tanner Trust	5,000	-	-	(5,000)	-
Leader Grant	-	16,960	-	(16,960)	-
Appeal - HOTSW Interpretation	-	17,267	-	(17,267)	-
Commemorative Trees	-	3,562	(3,562)	-	-
National Heritage Memorial Fund	-	18,113	-	(18,113)	-
Michael Farrington propagating house	-	1,940	-	-	1,940
	20,342	111,491	(72,553)	(57,340)	1,940

20 Summary of movement in funds (cont'd)

General unrestricted funds are available to spend on activities that further the purposes of the charity.

The gallery funding was provided by the Arts Council and Taunton Deane Borough Council to develop the Gallery within Hestercombe House.

The Buy a Brick and Commemorative Trees funds are remembrance funds that were fully spent in the year.

The Heritage Emergency Fund and Culture Recovery Fund are grants from the National Lottery Heritage Fund that are to fund fixed costs to support the charity through the Covid-19 pandemic.

Countryside Stewardship grant was received for the restoration of the water gardens. The project is ongoing at the year end.

The Appeal – Rook Wood are donations related to this appeal that have been fully spent during the year.

The Michael and Madeleine Farrington donations are towards the propagating house project which did not commence before the year end.

The Historic England grant is for the repair of the closet tower roof. This work had not been undertaken during the year so the funds have been carried forward.

The Clark Foundation and Richard Broyd Trust donations were all towards the purchase of some artwork. As the artwork has been purchased and there are no restrictions being placed on the use of the artwork the funds have been transferred to unrestricted funds.

21 Analysis of assets between funds – Group

	Fixed assets	Cash at bank and in hand	Other net current liabilities	Creditors more than one year	Total
	£	£	£	£	£
Unrestricted funds	11,966,638	102,059	(597,709)	(1,070,348)	10,400,640
Restricted funds	-	21,104	-	-	21,104
As At					
31 December 2020	11,966,638	123,163	(597,709)	(1,070,348)	10,421,744

Analysis of assets between funds – Charity

	Fixed assets	Cash at bank and in hand	Other net current liabilities	Creditors more than one year	Total
	£	£	£	£	£
Unrestricted funds	11,966,639	67,249	(498,978)	(1,070,348)	10,464,562
Restricted funds	-	21,104	-	-	21,104
As At					
31 December 2020	11,966,639	88,353	(498,978)	(1,070,348)	10,485,666

Prior year – 2019 – Group and Charity

	Fixed assets	Cash at bank and in hand	Other net current liabilities	Creditors more than one year	Total
	£	£	£	£	£
Unrestricted funds	11,808,821	60,375	(459,235)	(1,131,528)	10,278,433
Restricted funds	-	1,940	-	-	1,940
As At					
31 December 2019	11,808,821	62,315	(459,235)	(1,131,528)	10,280,373

The analysis for the Trust is identical to the Group in 2019 with the exception of the unrestricted funds, where investments represent £1, cash at bank £16,066 and other net current liabilities £412,987.

22 Income and expenditure account of the Trust

The company has taken advantage of Section 408 of the Companies Act and has not included its own Income and Expenditure Account or separate Statement of Financial Activities.

Prior to gift aid amounts received from the subsidiary, Hestercombe Gardens Trust has net ingoing resources for the year of £205,293 (2019: net outgoing resources of £113,630) based on income of £1,289,244 (2019: £946,571).

23 Related party transactions

The charity has taken advantage of the exemption in FRS 102 "Related Party Disclosures" from disclosing transactions with other members of the group.

There were no other related party transactions other than with members of the group (2019: none).

24 Contingent liabilities

The charity is involved in negotiations in respect of a tenanted part of the Trust's holding in relation to notices and counter notices in place for parcels of land and an ongoing dispute regarding the supply of water. Whilst the trustees would hope to conclude such matters through negotiation it may be that ultimately resolution is only possible through arbitration or the courts. The ultimate outcome will determine the parties' responsibilities for both their own and the other party's costs. The trustees have taken legal advice and believe that the charity has a strong case in respect of all the matters and has the prospect of recovering costs already incurred. Given the nature of the matters involved and the range of possible outcomes it is not possible to reliably quantify the likely outcome in terms of timing or of the financial implications.

25 Financial instruments

	Group	2020	Group	2019
	£	Charity	£	Charity
	£	£	£	£
Financial assets that are debt instruments measured at amortised cost	250,336	208,777	146,201	86,138
Financial liabilities measured at amortised cost	1,645,311	1,708,099	1,585,307	1,620,806
Item of income, expenditure, gain or losses				
	Income	Expense	Net gains	Net losses
	£	£	£	£
2020 - Group & Charity				
Financial assets that are debt instruments measured at amortised cost	-	-	-	-
Financial liabilities measured at amortised cost	-	46,379	-	-
2019 - Group & Charity				
Financial assets that are debt instruments measured at amortised cost	-	-	-	-
Financial liabilities measured at amortised cost	-	35,051	-	-

The total interest income for financial assets not measured at fair value through profit or loss is £nil (2019 - £nil). The total interest expense for financial liabilities not measured at fair value through profit or loss is £43,379 (2019 - £35,051).