

**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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For the Year Ended 31 December 2021

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## Hestercombe Gardens Trust

### Reference and Administrative Details

For the Year Ended 31 December 2021

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#### 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**

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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 5<sup>th</sup> 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.

## **Hestercombe Gardens Trust**

### **Trustee Directors' Report**

For the Year Ended 31 December 2021

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#### **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

20<sup>th</sup> September 2022

## **Hestercombe Gardens Trust**

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

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### **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**

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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.

## **Hestercombe Gardens Trust**

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

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### **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**

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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

22<sup>nd</sup> 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	
		£	£	£	£	£	£
<b>Income from:</b>							
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
<b>Total income</b>		<b>2,551,899</b>	<b>436,362</b>	<b>2,988,261</b>	<b>1,368,553</b>	<b>477,766</b>	<b>1,846,319</b>
<b>Expenditure on:</b>							
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
<b>Total expenditure</b>		<b>2,035,559</b>	<b>334,884</b>	<b>2,370,443</b>	<b>1,408,827</b>	<b>296,121</b>	<b>1,704,948</b>
<b>Net income/(expenditure) for the year</b>		<b>516,340</b>	<b>101,478</b>	<b>617,818</b>	<b>(40,274)</b>	<b>181,645</b>	<b>141,371</b>
Gain on revaluation of investment property	13	50,260	-	50,260			
Transfer between funds	19	94,882	(94,882)	-	162,481	(162,481)	-
<b>Net movement in funds for the year</b>		<b>661,482</b>	<b>6,596</b>	<b>668,078</b>	<b>122,207</b>	<b>19,164</b>	<b>141,371</b>
<b>Reconciliation of funds</b>							
Total funds brought forward		10,400,640	21,104	10,421,744	10,278,433	1,940	10,280,373
<b>Total funds carried forward</b>		<b>11,062,122</b>	<b>27,700</b>	<b>11,089,822</b>	<b>10,400,640</b>	<b>21,104</b>	<b>10,421,744</b>

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
<b>Fixed assets</b>					
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
		<u>12,237,820</u>	<u>12,237,821</u>	<u>11,966,638</u>	<u>11,966,639</u>
<b>Current assets</b>					
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
		<u>823,700</u>	<u>571,233</u>	<u>342,708</u>	<u>280,002</u>
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	17	(810,476)	(531,896)	(817,254)	(690,627)
		<u>13,224</u>	<u>39,337</u>	<u>(474,546)</u>	<u>(410,625)</u>
<b>Net current liabilities</b>					
Amounts falling due after more than one year	18	(1,161,222)	(1,161,222)	(1,070,348)	(1,070,348)
		<u>11,089,822</u>	<u>11,115,936</u>	<u>10,421,744</u>	<u>10,485,666</u>
<b>Total net assets</b>					
<b>The funds of the charity:</b>					
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
		<u>11,089,822</u>	<u>11,115,936</u>	<u>10,421,744</u>	<u>10,485,666</u>
<b>Total charity funds</b>					



**Hestercombe Gardens Trust – Company Registration Number: 03287766**

Balance Sheet and Consolidated Balance Sheet

As at 31 December 2021

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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 20<sup>th</sup> September 2022 and signed on their behalf by:

Cllr Marcia Hill  
Trustee

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

	Notes	2021		2020	
		£	£	£	£
		Group	Charity	Group	Charity
<b>Cash flows from operating activities</b>					
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
<b>Cash flows from investing activities</b>					
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)
<b>Cash flows from financing activities</b>					
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)
<b>Analysis of cash and cash Equivalents</b>					
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 £
<b>Grants</b>						
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
<b>Exceptional government funding</b>						
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
<b>Donations and legacies</b>						
	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:

	<b>Charity</b>		<b>Subsidiary</b>		<b>Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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:

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

<b>Employment costs</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
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:

	<b>2021</b>	<b>2020</b>
	<b>number</b>	<b>number</b>
£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**

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

The above assets are all held by the charity.

**12 Heritage assets**

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

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**

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

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**

	<b>Charity</b>	
	<b>Total 2021</b>	<b>Total 2020</b>
	<b>£</b>	<b>£</b>
Hestercombe Gardens Limited		
Ordinary shares of £1 each	1	1
	<hr/> <hr/>	<hr/> <hr/>

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:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
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**

	<b>Group</b>	<b>2021</b>	<b>Group</b>	<b>2020</b>
	<b>£</b>	<b>Charity</b>	<b>£</b>	<b>Charity</b>
		<b>£</b>		<b>£</b>
Goods for resale	34,078	-	41,029	-

**16 Debtors**

	<b>Group</b>	<b>2021</b>	<b>Group</b>	<b>2020</b>
	<b>£</b>	<b>Charity</b>	<b>£</b>	<b>Charity</b>
		<b>£</b>		<b>£</b>
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**

		<b>2021</b>		<b>2020</b>
	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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**

		<b>2021</b>		<b>2020</b>
	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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	131,581	30,756	194,211	37,348
	<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**

	<b>2021</b>		<b>2020</b>	
	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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
	<hr/>	<hr/>	<hr/>	<hr/>
	1,161,222	1,161,222	1,070,348	1,070,348
	<hr/>	<hr/>	<hr/>	<hr/>

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 £
<b>Unrestricted funds - Group</b>					
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
<b>Restricted funds - Group</b>					
	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 £
<b>Unrestricted funds - Charity</b>					
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
<b>Restricted funds - Charity</b>					
	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**

	<b>Opening balance £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Transfers £</b>	<b>Closing balance £</b>
<b>Unrestricted funds - Group</b>					
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
<b>Restricted funds - Group</b>					
	<b>Opening balance £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Transfers £</b>	<b>Closing balance £</b>
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 £
<b>Unrestricted funds - Charity</b>					
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
<b>Restricted funds - Charity</b>					
	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

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

## Analysis of assets between funds – Charity

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

**Prior year – 2020 – Group and Charity**

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