

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 grade 1 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.

Hestercombe Gardens Trust

Trustee Directors' Report

For the Year Ended 31 December 2022

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%.

Hestercombe Gardens Trust

Trustee Directors' Report

For the Year Ended 31 December 2022

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.

Hestercombe Gardens Trust

Independent Auditors' Report to the Trustees and Members For the Year Ended 31 December 2022

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
		12,411,543	12,411,544	12,237,820	12,237,821
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
		239,898	191,639	823,700	571,233
Liabilities:					
Creditors: amounts falling due within one year	17	(464,144)	(398,356)	(810,476)	(531,896)
Net current liabilities		(224,246)	(206,717)	13,224	39,337
Amounts falling due after more than one year	18	(1,090,727)	(1,090,727)	(1,161,222)	(1,161,222)
Total net assets		11,096,570	11,114,100	11,089,822	11,115,936
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
Total charity funds		11,096,570	11,114,100	11,089,822	11,115,936

Hestercombe Gardens Trust – Company Registration Number: 03287766

Balance Sheet and Consolidated Balance Sheet

As at 31 December 2022

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> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </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> </u>	<u> </u>
	65	60
	<u> </u>	<u> </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
	<hr/>	<hr/>	<hr/>
At 31 December 2022	94,130	10,697,496	10,791,626
	<hr/>	<hr/>	<hr/>
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
	<hr/>	<hr/>	<hr/>
Total additions	18,200	114,903	179,347
	<hr/>	<hr/>	<hr/>
Transfers out			
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

	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

	Charity	
	Total 2022	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.